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Annual Report to the Administrator on Program Performance

**Office of Evaluation
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Summary

Overview

This first report on Agencywide program performance

- Reviews the Agency for International Development's (A.I.D.) progress in measuring program performance
- Summarizes Mission program objectives and strategies
- Describes the intended and (to the extent data are available) actual results of these programs
- Analyzes why selected programs are succeeding or failing
- Outlines the further steps that are being taken to strengthen performance monitoring and evaluation as a tool for results-oriented decision-making.

Similar reports, prepared by the Center for Development Information and Evaluation (CDIE) in A.I.D.'s Policy Directorate, will be submitted to Agency senior management on an annual basis.

Progress in Monitoring and Evaluating Program Performance

To manage for better development results, managers need to know how their programs are performing. To meet this need, A.I.D.'s October 1990 Evaluation Initiative called for

- More rigorous and independent central evaluations
- New Agencywide capacities to monitor program performance
- Strengthened technical support for monitoring and evaluation throughout the Agency

- Fuller use of performance information in program, policy, and budget decisions at all organizational levels

Central Evaluation Has Been Expanded and Strengthened

Since 1990, CDIE has enhanced the analytical rigor of its central program evaluations, increased the number of such evaluations conducted, and added a new area of inquiry—the assessment of A.I.D.'s operations and management systems. We have also sought to ensure the usefulness of these evaluations to Agency management by developing an annually updated Evaluation Agenda, by effectively disseminating evaluation findings, by clarifying each study's management implications, and by involving the key A.I.D. offices to ensure that appropriate actions are implemented.

Under the current Evaluation Agenda, CDIE plans to conduct 28 evaluations over the next 3 years. Data collection and analysis (and in some cases report writing) have been completed for three program evaluations and two operations and management assessments. Six additional studies are scheduled to be completed by the end of 1993.

Comprehensive Program Performance Monitoring Has Been Initiated

Through an activity known as PRISM (Program Performance Information for Strategic Management), CDIE works closely with the operating bureaus to support Agencywide efforts to monitor and report on program performance and to use program performance information in decision-making.

PRISM helps Missions articulate focused strategic plans and establish corresponding performance information systems that routinely monitor progress so that Mission decision-makers can modify strategies and tactics accordingly. PRISM's tracking of

Agencywide program performance is being built on these operational-level systems, with performance data from each bureau and Mission entered into an Agencywide database and used for annual reporting. CDIE is collaborating with the Research and Development Bureau's Office of Women in Development to ensure that gender considerations are integrated into performance monitoring plans.

PRISM currently includes 55 Missions that are implementing program performance monitoring and reporting systems, representing about 73 percent of the A.I.D. countries and 77 percent of the bilateral resources for which PRISM is currently applicable. By the end of FY 1993, PRISM should encompass all but a few of A.I.D.'s bilateral development programs. More systematic central office coverage will begin in FY 1993 and should be completed by the end of FY 1994.

Challenges to Performance Management

As PRISM has evolved, some of the most commonly encountered challenges to implementing performance management have included

- Constraints Missions face in modifying ongoing programs
- Conflicting demands and competing interests that limit Mission incentives to plan and manage around fewer objectives
- The absence of clearly defined Agency-wide priorities
- Variations in how Missions program resources and interpret programming guidance
- Externally imposed programming requirements that confound Mission efforts to plan and manage more strategically

From a broader perspective, more comprehensive program performance monitoring and strengthened evaluations are essential tools, but will not by themselves transform A.I.D. into a results-oriented Agency. This requires a clearer delineation of priorities,

and a continuing commitment by managers at all levels to "managing for results."

FY 1992 Program Performance Findings

Strategic Directions

The 55 Missions included in this year's PRISM database provided information on 185 strategic objectives. Through a series of workshops and technical meetings, CDIE grouped these 185 strategic objectives into "clusters" of very similar or closely related objectives. The purpose of defining these clusters was twofold: to identify commonalities among Mission objectives representing the main strategic directions of the Agency's program and to establish a framework for reviewing Agencywide program performance. The 15 clusters identified for FY 1992 are listed under 4 main themes:

Economic Development

- Increasing production and productivity
- Increasing international trade
- Improving the policy/enabling environment
- Increasing economic participation

Human Development

- Improving child survival and maternal health
- Reducing the incidence of AIDS and other selected diseases
- Improving health systems
- Improving family planning
- Improving basic education

Environment and Natural Resources Management

- Improving natural resources management
- Reducing environmental degradation and damage

Democracy and Governance

- Strengthening democratic representation

- Promoting lawful governance
- Encouraging democratic values
- Supporting respect for human rights

Program Priorities

This year's review of Mission strategic objectives reveals the following broad patterns in program priorities Agencywide:

- **Economic development** is a predominant goal. All but 2 of the 55 reporting Missions have 1 or more strategic objectives under this theme.
- **Human development** is a second priority. Nearly 70 percent of A.I.D.'s Missions report one or more strategic objectives within this theme.
- More than half of reporting Missions have **environmental/natural resources management** strategic objectives.
- About one in three Missions are pursuing **democracy and governance** strategic objectives.

The number of Missions pursuing strategic objectives in a cluster provides one indication of the cluster's importance Agencywide. The following eight clusters represent objectives toward which the largest number of Missions are working:

- Increasing production and productivity (28 Missions)
- Improving natural resources management (28 Missions)
- Improving family planning (22 Missions)
- Improving the policy/enabling environment (19 Missions)
- Increasing international trade (19 Missions)
- Improving child survival/maternal health (16 Missions)
- Strengthening democratic representation (15 Missions)
- Promoting lawful governance (14 Missions)

There were relatively few differences in program emphasis across regions. A more

detailed discussion of the characteristics of the 15 PRISM clusters and regional program variations within clusters is provided in Chapter 2 and Appendix A.

Program Performance

Assessing program performance over time involves making comparisons between expected and actual results, while also taking into account preintervention trends, prevailing Agencywide targets, and resources invested. CDIE's analysis of performance for five of the better documented program areas (international trade, child survival and maternal health, family planning, basic education, and natural resources management) led to the following observations:

International Trade. Across countries with international trade programs, Missions expect increases from 10 percent to 20 percent in the value of nontraditional exports during their planning periods. For all countries where data were available for FY 1992, actual increases from baselines in nontraditional exports were below expected increases.

Child Survival. Among the 16 country programs with child survival strategic objectives, 4 have achieved the Agency's infant mortality target of 75 infant deaths per 1,000 live births. The average expected annual reduction in infant mortality for all reporting countries was 1.9 deaths per 1,000.

Family Planning. More Missions (22) have family planning strategic objectives than any other type of human development objective. Baseline contraceptive prevalence rates (CPRs) vary significantly from 1 to 2 percent in some African countries to as high as 55 percent in Latin America. Expected changes in CPRs vary from .25 percent to 1.6 percent annually. Three countries achieved higher CPRs than projected and others came very close to achieving their expected results.

Basic Education. Thirteen Missions have basic education strategic objectives. Five Missions expect increases in enrollment rates while others seek to maintain current enrollment levels. Most Missions are making progress in achieving their objectives.

Natural Resources Management. There are fewer common indicators for objectives in this cluster than for many other clusters. This year's review found that most Missions are making significant progress toward achieving their long-term objectives and that, in some cases, they expect to achieve major changes, such as reductions in deforestation rates.

This year's review found that

- ***A.I.D. has not clearly delineated Agency-wide program priorities and performance standards nor clarified how such priorities and standards should be balanced with Mission priorities.*** While individual Missions make serious and substantial efforts to identify key country development constraints and to program accordingly, A.I.D. has provided very little guidance about how various Agencywide priorities should be balanced, about which objectives can be effectively pursued under what circumstances, or about what level of results would signify success.
- ***Program costs vary widely in relation to program benefits.*** Because each country situation is different, similar objectives may cost more in some countries than in others. By comparing the magnitude of expected results with resources allocated to achieve them, A.I.D. can assess where it is receiving the greatest return on investments and can identify unusually high- and low-cost country programs for more in-depth review.
- ***Program performance monitoring can identify program successes and failures, but more in-depth evaluation and research is needed to clarify implications for future programming.*** By describing and comparing broad patterns, trends, and discrepancies between actual and expected results over time, program performance monitoring can alert managers to the need for more in-depth examination of the reasons underlying differences in performance.

Findings From Recent Evaluations

A.I.D.'s investment in an increased capacity to conduct Agency-level evaluations is beginning to pay off in terms of results that can guide strategic decision-making. A few of the key lessons of recently completed or nearly completed CDIE evaluations of programs and management systems are summarized in the following paragraphs, with more detail provided in Chapter 3 of this report.

Export and Investment Promotion Services. A.I.D. programs supporting provision of export and investment services (e.g., market information and linkages with buyers) can be effective in favorable policy environments, particularly with macroeconomic stability and a realistic exchange rate. A.I.D. should consider assisting private service providers, not government institutions, and, as soon as the private sector develops the support service market, A.I.D. should phase out its support.

Development Finance Institutions. Development finance institutions (DFIs) have contributed little to strengthening financial markets in developing countries and are no substitute for sound financial market policies. In most cases DFIs have been unsuccessful in reaching small- and medium-sized enterprises, in achieving sustainability, and in mobilizing domestic savings. In only a narrow array of circumstances should A.I.D. resources flow through DFIs.

Microenterprise Development. Programs to assist microenterprises have aimed at forming new microenterprises, expanding existing microenterprises, and transforming or graduating businesses out of the microenterprise sector. Enterprise expansion through provision of credit at or above market interest rates proved to be the most successful of the three approaches in reaching large numbers of beneficiaries at low cost, in generating jobs, and in achieving sustainability. Most microenterprise projects have provided women with income earning opportunities, especially urban commercial enterprises. Projects establishing new businesses have often needed excessively costly technical as-

sistance. Programs aiming to graduate businesses out of the microenterprise sector have generally not been successful except in those few instances where microenterprise lenders could link to established commercial sources of finance.

Social Safety Nets. Most donor-assisted programs labeled as "social safety nets" to cushion the poor from the hardships of economic structural adjustment have been poorly designed. Often the effects of adjustment on target populations are misunderstood, and compensatory programs have disproportionately benefited groups other than those who most need social safety nets. This study was able to identify only a few examples of successful experiences, which were in the areas of severance payment schemes and public works programs.

A.I.D. Economic Policy Reform Programs in Africa. A.I.D. assistance to African countries in the late 1980s has had very positive short-term impacts. The removal of government controls on prices and markets, the elimination of public subsidies and industrial protection, and the elimination of monopolies by state-owned enterprises have all had positive impacts on prices, competition, and efficiency. The experience also indicates that the type of A.I.D. assistance (e.g., cash transfers, commodities, Public Law [PL] 480) was far less important than the soundness of the policy reforms themselves and the host government's ability to implement them.

Child Survival. A.I.D.'s child survival program has had considerable success in expanding the coverage of basic maternal and child health care services and in contributing to declines in infant and child mortality. However, the effectiveness of the specific child survival interventions ranging from immunization programs and child spacing programs (most often successful) to oral rehydration therapy (often ineffective) has varied considerably. A.I.D. programs should increase their attention on health sector policy and on improving the financial sustainability of child survival programs.

Legal Systems Development. Preliminary findings from Latin America indicate

that strong constituencies beyond the judicial system itself—other public or private sector entities—must desire legal reform if real improvement is to take place. Furthermore, effective public and media vigilance is needed for judicial reform to have lasting results. Judicial reform seems to be a slow and incremental process, perhaps spanning a 15 to 20 year time period, and comprehensive programs (incorporating police, courts, prisons, and sometimes the military) are more likely to succeed than programs limited to only a specific component of the judicial system. Fieldwork for this evaluation is under way.

Environment and Natural Resources Management. Preliminary results from a desk study indicate that there has been a tendency in many A.I.D. projects to deny, often erroneously, that trade-offs exist between economic development and conservation objectives. Project designs should realistically assess which groups are likely to benefit and which are likely to lose. The desk study found that compared with nongovernment organizations, which often have greater flexibility and commitment, governments in developing countries are often less able to implement environmental projects effectively. Active involvement of beneficiaries in design and implementation appears to be associated with more successful local level efforts. Substantial improvement in collection of baseline and followup data on environmental impact is needed in most projects. Fieldwork for this evaluation has just begun.

A.I.D.'s In-Country Presence. The chief advantages of A.I.D.'s in-country presence are (1) influence over program strategy and policy issues in dialogue with the recipient government and other donors and (2) program accountability for results. These advantages contribute to the effectiveness of U.S. assistance and can be best obtained through U.S. official staff on long-term overseas assignment. The study suggests a number of opportunities to increase cost-effectiveness of A.I.D.'s in-country presence, while preserving its essential advantages.

Performance Based Budgeting. A.I.D.'s current approach to allocating funds

among countries is based on an analysis of host-country conditions that affect the likelihood that funds can be used effectively. This "climate for investment" criterion is not true performance based budgeting (PBB), because it rests on conditions largely beyond A.I.D.'s influence and does not link resource allocations to A.I.D. program results. The study recommends using development potential and need as basic criteria for country allocations, modified at the margin by expected program performance. It also stresses using PBB principally to allocate funds within—not among—countries and basing PBB on the contribution of programs and projects to development objectives. To implement PBB effectively will also require changes in A.I.D.'s relationship with Congress, so that there is, for example, clear agreement on goals, greater flexibility for A.I.D. to allocate resources, and less congressional micromanagement.

Further Steps in Strengthening Performance Monitoring and Evaluation

Effectively managing for results will require a continuing commitment by A.I.D. managers at all levels to the principles of strategic management. Over this next year, we plan to enhance the value of program performance information by expanding program coverage, improving data quality, strengthening impact analysis, and improving dissemination. We also intend to improve our ability to relate evaluation findings to programming decisions, link program and resource data, and expand coverage of program performance information.

1. Improving A.I.D.'s Ability to Manage for Results

The Agency for International Development (A.I.D.) currently assists more countries at more varied levels of development in more diverse political and economic spheres than ever before. At the same time, A.I.D.'s ability to successfully manage these development programs is being ever more closely scrutinized. Recent hard-hitting reviews by the General Accounting Office (GAO), the Presidentially appointed Ferris Commission, and a joint A.I.D./Office of Management and Budget (OMB) SWAT team have identified a number of critical management problems that they argue A.I.D. must overcome.

For the past 2 years, A.I.D. has undertaken significant programming and management reforms aimed at becoming a more results-oriented Agency. It has begun focusing its programs, strengthened its evaluations, created new program performance measurement systems, and changed staff incentive and other personnel policies, all with the intention of improving its ability to manage for results.

This report, A.I.D.'s first annual assessment of program performance, represents part of the Agency's management reform effort; namely, to report more comprehensively and transparently on results, both successes and failures.

Subsequent chapters describe and analyze program performance. Chapter 2 describes the objectives and strategies that Missions are pursuing, articulates the Agencywide priorities and themes that these Mission objectives and strategies represent, and reviews expected and actual results in selected program areas. Chapter 3 summarizes major findings and management implications of recent central evaluation studies. Chapter 4 outlines ongoing and planned efforts designed to improve our ability to assess program performance.

This chapter summarizes the evaluation and performance monitoring initiatives of the last 2 years and discusses the challenges that lie ahead. A more detailed review is provided in a companion volume, "Strengthening Performance Monitoring and Evaluation in A.I.D.: A Progress Report."

The Evaluation Initiative

In October 1990, A.I.D. announced a new initiative to "strengthen the role of evaluation" in providing better information for internal program and policy decisions and for external accountability. Under this initiative, the Center for Development Information and Evaluation (CDIE) of A.I.D.'s Policy Directorate was asked to

- Conduct more rigorous and independent central evaluations of program results and operational system effectiveness
- Develop new Agencywide capacities to monitor program performance
- Strengthen technical leadership and support for monitoring and evaluation throughout the Agency
- Make monitoring and evaluation information more widely available for program, policy, and budget decisions at all organizational levels

Strengthening Central Evaluations

Unlike project evaluations that focus primarily on implementation, CDIE central program evaluations focus on broad performance issues to help guide the Agency's strategic planning and programming decisions. More rigorous and independent central evaluations are therefore critical to improv-

ing A.I.D.'s ability to learn from experience and to better target resources toward significant development results. Under the Evaluation Initiative, CDIE has enhanced the analytical rigor of central program evaluations, increased the number of evaluations conducted, and added a new area of inquiry—the assessment of selected A.I.D. operations and management systems.

Central to ensuring the relevance of these evaluations to key decision-makers has been CDIE's Evaluation Studies Agenda, a description and schedule of 28 central evaluation studies to be conducted over the next 3 years. The Agenda is updated annually and seeks to be responsive to the issues that senior managers and program planners alike see as most important.

The Impact of Central Evaluations on Performance Management

Producing a steady stream of relevant and rigorous central evaluation findings will be a waste of scarce resources unless the results are actually used to set priorities and make decisions. The effective use of evaluation findings is promoted in several ways:

- By ensuring stakeholder involvement.* Involving key stakeholders, both within and outside of A.I.D., in reviewing evaluation concept papers, designs, and draft reports helps ensure that evaluations address the most relevant questions, and do so fairly, and that there is a ready audience waiting for each study's results. To ensure independence and objectivity, however, stakeholders are not expected to clear or approve any aspect of CDIE's work.
- *Through more effective dissemination of findings.* CDIE has revamped its dissemination practices in the past year to better communicate evaluation results to target audiences. Key publications are the broadly disseminated Program and Operations Assessment Reports, which synthesize evaluation findings for an entire evaluation series, and the eight-page Evaluation Highlights and the two-page Bulletin for Senior Managers, which summarize the most important evaluation findings and their implications for

management. Oral briefings are also given to communicate important findings to key internal and external audiences.

- *Through more effective collaboration.* The impact of evaluation findings should be measured, in large part, by changes in A.I.D. policies, programs, and resource allocations. Under recently established procedures, senior operating bureau management critically reviews the findings of central evaluations for their implications for the design, implementation, and continuation of planned and ongoing projects, as well as for the viability of operating policies and practices. Central evaluations of A.I.D. support for export and investment promotion services projects and of A.I.D.'s in-country presence led to the initiation of such reviews in early FY 1993.

Strengthening Program Performance Monitoring

An Agencywide program performance information system (PRISM), under development since 1991, seeks to enhance A.I.D.'s ability to clarify program objectives, measure performance, and apply performance information in decision-making at all organizational levels. It is a system both for A.I.D.'s senior managers in Washington and for operational managers in the field. PRISM has been built on earlier efforts to monitor program performance, particularly the pioneering work undertaken by the Africa Bureau after the establishment of the Development Fund for Africa in 1987.

PRISM's first-line application is to help Missions articulate focused strategic plans and establish corresponding performance information systems that routinely monitor program progress (see box). The central PRISM information system is built on these operational-level systems, with performance data from each Mission entered into the Agencywide database and used for annual program performance reporting.

PRISM currently includes 55 Missions that are implementing strategic planning and program performance monitoring and report-

ing systems. They represent about 73 percent of the A.I.D. recipient countries and 77 percent of the bilateral resources for which PRISM is currently applicable. PRISM coverage will be expanded during FY 1993 to the rest of A.I.D.'s bilateral development programs, with the exception of a few very small country programs, programs in Israel, and in some other countries where A.I.D. does not have a resident Mission.

The 55 Missions currently included in PRISM are at different levels in implementing their program strategies and performance information plans (see Table 1.1). The levels are defined as follows:

Level 1: Mission has strategic objectives and program outcomes, most or all of which meet Agency (PRISM) standards (or predate Agency standards in the case of Asia).

Level 2: Mission has measurable indicators that meet standards for most or all of its strategic objectives and program outcomes.

Level 3: Mission has set targets for expected results and gathered relevant baseline data for all of its strategic objectives and program outcomes and has identified likely sources for performance data.

Level 4: Mission's annual program performance reports provide data on actual results for most or all of its strategic objectives and program outcomes.

Level 5: Mission is systematically using program performance information for strategic management.

Whereas early PRISM implementation focused on strategic planning and on articulating objectives and indicators, emphasis shifted during FY 1992 to refining indicators and targets, identifying data sources, and reviewing performance. In FY 1993, the focus will be increasingly on implementing more systematic procedures for obtaining, using, managing, and reporting program performance information.

PRISM will also encompass activities managed by central and regional offices in Washington. Work has already begun in a number of central offices, and more systematic coverage will begin in FY 1993, so that all central and regional programs are in-

Key PRISM Concepts

The PRISM effort has involved introducing new concepts and terms into the Agency's program planning and management practice:

- A *strategic objective* is an objective that is developmentally significant, but within a Mission's manageable interest to achieve within a 5 to 8 year time frame. It expresses a Mission's intention to materially affect or significantly contribute to one or more priority development needs in a country and to focus appropriate resources toward accomplishing that result.
- A *program outcome* represents what a Mission's program is doing to achieve a strategic objective within a 2 to 5 year time frame. It expresses the nearer term accomplishments of the set of program activities that make up a Mission's strategy for attaining each objective.
- An *indicator* is a measure to track progress toward achieving program outcomes or strategic objectives. It also serves to define the magnitude of the result a Mission is trying to achieve.

cluded by the end of FY 1994. CDIE is also collaborating closely with the Research and Development Bureau's Women in Development office and its regional officers to ensure that gender issues are integrated into the strategic planning and performance monitoring process.

Despite this progress, substantial work remains. A recent review of Mission objectives and indicators indicated that

- Some Mission strategies still lack logical consistency, and planned activities (and program outcomes) appear insufficient or inappropriate for achieving stated objectives. Often these Missions have identified very high-level strategic objectives, and program outcomes include a range of loosely related activities that do not form a cohesive strategy for achieving those objectives.

**Table 1.1 Progress in Implementing PRISM Systems
(through June 1992)**

Region	Missions Covered	Level 1	Level 2	Level 3	Level 4	Level 5
Africa	20	4 (20%)	12 (60%)	2 (10%)	0 (0%)	2 (10%)
Asia	10	9 (90%)	0 (0%)	1 (10%)	0 (0%)	0 (0%)
Near East	6	3 (50%)	2 (33%)	1 (17%)	0 (0%)	0 (0%)
LAC	19	0 (0%)	10 (53%)	1 (5%)	5 (26%)	3 (16%)
Total	55	16 (29%)	24 (44%)	5 (9%)	5 (9%)	5 (9%)

- Some strategic objectives still represent labels for categories of diverse activities, rather than results from a focused strategy. Such composite objectives are often presented with a list of disparate indicators, making performance assessment difficult, since different indicators may simultaneously move in different directions.
- Some performance indicators have limited validity for measuring the outcome sought. Relatively few indicators, for example, disaggregate program performance by gender, ethnicity, or geographic region, even when activities are clearly focused on particular target populations.
- Eight Missions substantially redesigned activities to enhance their contribution to strategic objectives.
- Eighteen Missions decided to phase out activities that were not sufficiently relevant to objectives.
- Ten Missions justified new activities that were specifically needed to achieve strategic objectives.

Strengthening Project Monitoring and Evaluation

These difficulties illustrate the challenge Missions face in modifying ongoing programs to focus on fewer objectives, in determining what is within their manageable interest, in concentrating resources on essential activities for achieving objectives, and in developing appropriate performance information systems.

PRISM's Impact on Performance Management

A substantial number of Missions appear to be applying a more results-oriented approach to programming decisions. For example

- Twenty-four Missions significantly modified their strategic plans, clarifying, adding, or dropping objectives.
- Only a small fraction of the evaluations included specialists with formal evaluation skills.

In addition to strengthening program monitoring and evaluation, the Evaluation Initiative also mandated stronger leadership, coordination, guidance, and technical support for A.I.D.'s project monitoring and evaluation activities.

A May 1992 review of 286 Mission evaluations conducted in FY 1989 and 1990 found that

- The vast majority (87 percent) of Mission evaluations were snapshots that looked at performance at only a single point in time.
- Most Mission evaluations relied on expert judgment, rather than on more rigorous evaluation designs.

- Only about one-third of the evaluations examined the relationship between a project and existing Mission objectives.
- While 93 percent of the evaluations concluded that projects were "succeeding," only 40 percent assessed achievement at the level of project purpose and impact, and only 43 percent addressed sustainability issues.
- While the evaluations addressed many issues of immediate and practical concern to Mission managers, they provided little basis for assessing project performance Agencywide.

Improvement in project monitoring and evaluation will require several measures. New evaluation guidance is under preparation to clarify the role of formative or interim project evaluations as well as that of project and activity completion reports. CDIE is also planning to expand monitoring and evaluation guidance and training and more fully instill monitoring and evaluation information in Agency decision-making.

Challenges to Implementing Performance Management

While improved strategic planning, program performance monitoring, and evaluations are essential tools, they will not alone transform A.I.D. into a results-oriented Agency. This requires broader changes in A.I.D.'s organization and culture, a clearer delineation of priorities, and a continuing commitment by managers at all levels to the principles of strategic management.

Performance management requires

- A clear vision of what A.I.D. can accomplish
- Coherent strategies for achieving these objectives
- Relevant indicators for measuring progress
- The willingness to use this performance information in decision-making

Most important, it requires the management authority and discipline to make programming decisions and allocate funds and resources toward priority objectives based on performance.

What Complicates A.I.D.'s Ability to Manage Strategically?

Even in the best of circumstances, A.I.D.'s pursuit of varied development objectives in diverse country settings makes "managing for results" difficult. However, A.I.D.'s way of doing business and the environment of external oversight and micromanagement in which this business must be conducted exacerbate the problem and impede change. Until these underlying issues are addressed, A.I.D.'s ability to apply performance management principles will remain limited.

This year's review of Agencywide strategic plans and program performance indicators suggests that many Mission objectives remain too ambitious, strategies remain unclear, and portfolios remain dispersed. This reflects not only the immaturity of A.I.D.'s current strategic planning efforts, but also continuing organizational and institutional obstacles to better management. The most common problems encountered in implementing PRISM over the past year include

- *Constraints Missions face in modifying ongoing programs.* Missions usually enter the strategic planning process with an ongoing program embodying commitments to counterparts and other donors that cannot always be easily amended. While Missions should be expected to modify or terminate programs and projects that fail to achieve results, their responsibilities are less clear when programs and projects are performing adequately but no longer fit Mission, bureau, or Agency priorities. This does not mean Missions can modify their programs only by changing new activities at the margin, but it does recognize that country strategies cannot always be transformed quickly. Missions need to plan carefully how their programs will evolve in the face of changing priorities, assessing the pros and cons of continuing, modifying, or terminating ongoing activities

that are no longer relevant to Mission objectives.

- ***Conflicting demands and competing interests that limit Mission incentives to focus on fewer objectives.*** Historical commitments aside, Missions still lack incentives to systematically restructure their portfolios around a limited number of objectives. A.I.D. has generally linked individual career success and advancement to success in designing projects, expanding programs, and obligating funds. A.I.D. managers find few incentives to focus their programs or eliminate activities.

On the other hand, Missions do perceive benefits to supporting many different activities. By maintaining a diverse portfolio, Missions are better able to use earmarked resources and end-of-year funding. Many Missions also believe that maintaining a diverse portfolio better enables them to respond to unanticipated opportunities and to contribute more to development. This has led Missions to resist tightly focused strategic objectives that could limit future programming options and to seek ways to justify existing activities under new strategic objective labels.

- ***The absence of clearly defined Agency-wide priorities.*** A.I.D. has not clearly or consistently defined Agencywide priorities nor clarified how priorities should be reflected in Mission or bureau objectives.
- ***Variations in how Missions program resources and interpret programming guidance.*** A.I.D. pursues a bottom-up approach to programming in which each Mission articulates development objectives and strategies to best address country-development problems. However, given widely varying programming approaches and review procedures across bureaus and limited Agencywide guidance and coordination, it is not surprising that the character and soundness of Mission objectives and strategies also vary. For example, while A.I.D. has instructed Missions to focus their programs on fewer, but more significant objectives, it has not clarified what this means or how it should

be accomplished. As a result, arbitrary limits on the number of Mission objectives have often led to an artificial broadening of objectives and, consequently, poorly integrated strategies. Some Missions have creatively devised strategic objective "labels" to capture all ongoing activities.

Procedures and requirements for formulating strategic plans also vary across the Agency. Some bureaus lack explicit procedures or criteria for selecting objectives or ensuring that they are clearly delineated and achievable. Each bureau has very different planning documents, reporting cycles, review procedures, and standards, making it difficult to compare programs across countries. And, two new units for the Newly Independent States and Eastern Europe have not yet decided how they will monitor program performance.

- ***Externally imposed programming requirements that confound Mission efforts to plan and manage more strategically.*** External earmarks, central bureau activities, regional programs, and other externally imposed programs or requirements can account for a substantial portion of A.I.D.'s assistance to a country, but may be outside of Mission control and Mission objectives. These requirements weaken Mission strategic planning because they are not always consistent with the Mission's or the country's development priorities nor A.I.D.'s comparative advantage, and they may conflict with other Mission objectives.

Despite these complications, the bureaus and Missions have made progress toward implementing performance management. Over the next year, Missions will continue to refine their strategic plans, monitor performance indicators, and use performance information in programming. CDIE will also complete ongoing evaluation studies and work to infuse monitoring and evaluation information more fully into Agency decision-making. CDIE's companion report, "Strengthening Performance Monitoring and Evaluation in A.I.D.: A Progress Report," outlines specific actions planned to support these activities. The analysis of A.I.D.'s program performance that follows is based on the progress to date.

2. Assessing Program Performance

This chapter describes the Agency for International Development's (A.I.D.) development objectives from the perspective of field Missions, examines how Missions are pursuing these objectives, and reviews expected and actual development results in selected program areas. This description and analysis of A.I.D.'s bilateral assistance portfolio is based on information from the Agency's program performance information (PRISM) system, which contains Mission strategic plans, performance indicators, and budget information. Grouping the objectives that Missions themselves have identified into clusters of similar objectives under a few broad themes provides an empirically grounded and results-oriented framework for describing A.I.D.'s programs and identifying Agencywide priorities.

This year's PRISM overview of Mission objectives is based on wide, but still partial, coverage of the portfolio. It includes information from 55 Missions in the Asia, Africa, Latin America and the Caribbean (LAC), and Near East (NE) regions that formulated and submitted strategic plans and objectives in FY 1992. PRISM coverage this year does not include the Newly Independent States (NIS), Eastern European countries, nor centrally funded activities. The 55 Missions included in PRISM this year represent 73 percent of A.I.D. country programs and 77 percent of the bilateral resources to which PRISM currently applies.¹

A.I.D.'s approach to development assistance places primary responsibility for selecting strategic objectives and defining program strategies with Missions, subject to A.I.D./Washington review and policy guidance. This is intended to give Missions the maximum flexibility to tailor development assistance programs to the special circumstances and needs of individual countries. PRISM reflects this decentralized programming by being essentially a bottom-up management information system.²

Through this system, 55 Missions identified approximately 185 strategic objectives representing their priority programming areas. For analyzing and reporting on what A.I.D. is doing, PRISM clustered these 185 strategic objectives into 15 categories of similar or related objectives and further grouped these clusters under 4 broad themes. PRISM defined clusters and themes through a series of Agencywide workshops and numerous smaller, technical working-group meetings.³

The 4 themes and 15 clusters in the current PRISM framework are

Economic Development

- Increasing production and productivity
- Increasing international trade
- Improving the policy/enabling environment

¹ See companion volume, "Strengthening Performance Monitoring and Evaluation in A.I.D.: A Progress Report," February 1993, for a full discussion of PRISM reporting coverage.

² PRISM can also be a tool to facilitate better top-down management by enabling senior managers to check for consistency of actual objectives and program strategies against desired priorities and mandates.

³ Definitions for each of the 15 clusters can be found in Appendix A. Categorization of Missions' strategic objectives into the clusters is provided in Appendix B.

- Increasing economic participation

Human Development

- Improving child survival and maternal health
- Reducing the incidence of AIDS and other selected diseases
- Improving health systems
- Improving family planning
- Improving basic education

Environment and Natural Resources Management

- Improving natural resources management
- Reducing environmental degradation and damage

Democracy and Governance

- Strengthening democratic representation
- Promoting lawful governance
- Encouraging democratic values
- Supporting respect for human rights

Some of the current PRISM clusters are characterized by a small number of similar performance indicators that already provide a good basis for Agencywide summaries and comparisons. Other clusters, however, are characterized by more diverse indicators, making comparisons and summaries more difficult. A more detailed discussion of the

specific objectives and strategies encompassed by each of these clusters is provided in Appendix A.

Program Priorities

Mission Priorities by Theme

A review of major program themes, based on Mission strategic objectives reported through PRISM, indicates that

- Economic development is a predominant goal. All but two Missions have one or more strategic objectives under this theme, and these objectives account for 46 percent of Mission objectives (see Table 2.1).
- Human development represents a second priority. Nearly 70 percent of the 55 Missions report 1 or more strategic objectives within this theme, representing about 27 percent of Mission objectives.
- More than half of the Missions have environmental and natural resources management strategic objectives, representing about 16 percent of Mission objectives.
- Only about 1 in 3 of the 55 Missions are pursuing democracy and governance strategic objectives, representing about 11 percent of Mission objectives.

The importance of the economic and human development themes is further emphasized by the fact that Missions frequently

Table 2.1 Numbers of Missions and Strategic Objectives by Theme

Themes	Missions ^a	Strategic Objectives ^b
Economic development	53 (96 %)	85 (46 %)
Human development	38 (69 %)	50 (27 %)
Environment/natural resources management	29 (53 %)	30 (16 %)
Democracy and governance	19 (35 %)	20 (11 %)
^a Number of Missions with strategic objectives for each theme (and as a percentage of all 55 Missions).		
^b Number of strategic objectives per theme (and percent distribution of strategic objectives among themes).		

**Table 2.2 Strategic Objectives by Theme and Region
(Number of Objectives and Percentage)**

Theme	Africa	Asia	LAC	NE
Economic development	32 (52%)	16 (46%)	27 (38%)	10 (55%)
Human development	23 (38%)	7 (20%)	15 (21%)	5 (28%)
Environment/natural resources management	6 (10%)	7 (20%)	14 (20%)	3 (17%)
Democracy and governance	0 (0%)	5 (14%)	15 (21%)	0 (0%)
Total	61	35	71	18

have more than one objective in these thematic areas, whereas for democracy or environmental strategic objectives, Missions usually have only one objective for each.

An analysis of the distribution of Mission budgets against strategic objectives, based on partial FY 1993 data, suggests that the largest portion of Mission resources are directed at economic development objectives compared to objectives in the human development, democracy, or environment areas. FY 1995 Annual Budget Submissions (ABS) (submitted this summer) will include more comprehensive and detailed data on Mission and office resource allocations against strategic objectives and program outcomes. This will enable better tracking of funding against clusters and themes and permit more detailed analysis in future reports.

A review of Mission objectives by region reveals more similarities than differences in thematic priorities. Africa, Asia, LAC, and NE all have far more economic development objectives than objectives under any other theme. Indeed, economic development accounts for at least three out of eight objectives in every region and represents more than half of all strategic objectives in the NE and Africa regions. The human development theme accounts for at least one-fifth of the strategic objectives in all four regions, receiving the greatest emphasis in Africa, where 38 percent of all strategic objectives are focused on human development concerns. The proportion of Mission objectives falling under the environmental theme ranges from 10 percent for Africa to 20 percent for Asia and LAC. The

democracy theme shows the greatest regional variation, ranging from no Mission democracy strategic objectives in Africa and the NE to 15 Mission objectives in LAC (see Table 2.2).

Mission Priorities by Cluster

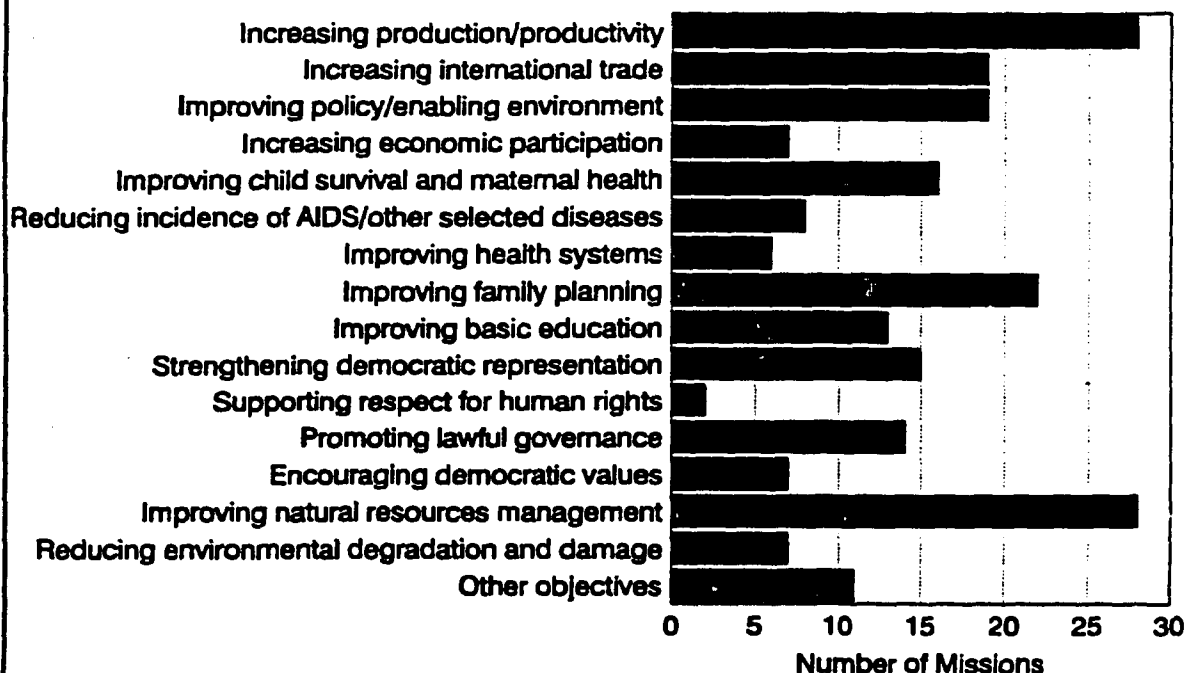
The 15 clusters under the 4 PRISM themes more finely categorize Mission objectives. The number of Missions pursuing objectives in a cluster provides one indication of the cluster's importance Agencywide (see figure on page 10, and Appendix C).

The following eight clusters represent the program areas in which the most Missions are working:

- Increasing production/productivity (28 Missions)
- Improving natural resources management (28 Missions)
- Improving family planning (22 Missions)
- Improving the policy/enabling environment (19 Missions)
- Increasing international trade (19 Missions)
- Improving child survival/maternal health (16 Missions)
- Strengthening democratic representation (15 Missions)
- Promoting lawful governance (14 Missions)

Given the theme's overall prominence, it is not surprising that three of the four economic development clusters make the list. Of

Missions by Cluster



Notes: Fifty-five Missions have reported strategic objectives through PRISM.

these, increasing production and productivity, which captures activities in both the agricultural and nonagricultural sectors, is the cluster with, by far, the most activity, with 28 Missions currently working in this area. Improving the policy environment ties with increasing international trade as the fourth most frequently cited strategic objective, with 19 Missions reporting policy and trade objectives.

Twenty-two Missions report improving family planning as an objective and improving child survival is a strategic objective for 16 Missions.

Improving natural resources management encompasses objectives in 28 Missions (the same number of Missions reporting an objective in the increased production and productivity cluster). Reducing environmental degradation, on the other hand, was cited as an objective by seven Missions.

Fourteen Missions pursue objectives linked to promoting lawful governance.

Similarly, 15 Missions reported objectives related to strengthening democratic representation. However, these two clusters together involve a total of only 17 different Missions, since many strategic objectives were broad labels covering programs in both areas (and were counted once under each cluster).

Key Program Performance Questions

Any useful assessment of program performance requires comparisons—between expected and actual results and in relation to preintervention trends, Agencywide targets, resources invested, and so on. Such comparisons can also be made at different levels: for a single objective in a country, across all objectives in a country, or for a cluster of objectives Agencywide. Answering each of the program performance questions outlined below requires different data and different comparisons.

How are programs performing in a particular country?

This analysis is relevant primarily to Missions in managing their programs and to bureaus in reviewing them. It would include

- Comparisons of actual and expected results for each Mission program
- Comparisons of actual and expected results across all of a Mission's programs (either in absolute or percentage-achievement terms)
- Comparisons of actual and expected results against trends prior to A.I.D. support in each country

How are similar programs performing across countries?

This analysis is primarily relevant to bureau and Agency senior managers for identifying particularly successful or problematic performers in each program area, assessing the strategies that work best and most cost-effectively, aggregating performance across countries, and comparing performance across program areas. It would include

- Comparisons of actual and expected results across countries (either through common indicators or in percentage-achievement terms)
- Comparisons of actual and expected results against resources invested across countries
- Comparisons of actual and expected results across countries against regional or worldwide trends

How are particular programs performing in relation to Agencywide priorities, programming criteria, or performance standards?

This analysis is primarily relevant to bureau and Agency senior managers in determining under what circumstances various programs should be pursued and when those programs can be judged fully successful and completed. However, the broader question of whether A.I.D. should adopt Agencywide performance standards is not easily resolved. An appropriate standard for one country, given the magnitude of assistance resources

and the country-specific character of the development problem, may be completely inappropriate in another country. Yet, such standards could provide a basis for gauging progress and for disengaging once standards have been met. If pursued, such analyses would likely include

- Comparisons of actual and expected results against regional or Agencywide targets and standards
- Comparisons of actual and expected results against country needs and other programming criteria
- Comparisons of costs and benefits across countries and programs

Selected Program Results

The promise offered by a program performance information system is that as Missions and offices begin more fully reporting performance data, the Agency's ability to answer key performance questions will become increasingly systematic and comprehensive. In future reports CDIE plans to compare expected results with actual results, identify potential problems, and analyze A.I.D.'s use of financial and human resources in relation to the objectives being pursued and the results achieved.

Since coverage of the Agency's portfolio is not yet complete, and since some program areas have more comparable and reliable measures of performance than others, for this first report CDIE has selected five better documented program areas to illustrate PRISM's potential as an analytical tool:

- International trade
- Child survival and maternal health
- Family planning
- Basic education
- Natural resources management

Some of these clusters represent areas in which A.I.D. has worked for some time and for which clearly articulated objectives, common performance indicators, and data were reported for FY 1992. Others represent fairly new areas of activity for A.I.D. The

discussion of findings for each cluster is illustrated in tables included in Appendix D. As Missions progress in their development of program performance information systems, similar analyses can be undertaken for other clusters.

Economic Development

International Trade

Eleven of the 19 Missions that identified strategic objectives in international trade reported data on baselines and expected performance. Program performance information provided thus far reveals the following:

- The most common performance indicator reported for this cluster was the magnitude of nontraditional exports (see Table D-1 in Appendix D). While the expected average annual increase for all Missions reporting on this indicator is 13.0 percent (excluding Ghana which has a very high expected result), the results expected by individual Missions varied substantially.
- A comparison of actual results, where available, with expected results revealed that actual increases in nontraditional exports from baselines to 1991 were below projected increases. In some countries, however, actual results were only slightly lower than expectations (see Table D-6 in Appendix D).

The above observations are based on data for only one performance indicator; Missions customarily employ more than one key indicator to measure performance of a given strategic objective. Other Mission indicators of performance in this cluster include value of foreign investment and value of foreign exchange earnings. Likewise, countries will differ widely in the extent of change that can be leveraged through U.S. assistance resources. Chapter 3 describes the findings of a related series of evaluations of A.I.D.-supported programs in export and investment promotion services.

Human Development

Improving Child Survival and Maternal Health

Child survival has been an important focus for A.I.D.'s health programs since 1985. Sixteen of the Missions encompassed by PRISM had strategic objectives specifically focused on improved child survival and maternal health or had child survival program outcomes contributing to a broader health objective. Missions with child survival objectives defined their expected results most commonly in terms of changes in the infant mortality rate (IMR) and used the IMR as a key performance indicator.⁴ Fewer Missions reported on indicators of maternal health because the data are not as easily available. Changes in IMRs are, however, relatively slow moving, so indicators such as oral rehydration therapy (ORT) or immunization coverage, are often used to assess more immediate Mission progress in improving child survival.

In 1985, A.I.D.'s Child Survival Program set a target of reducing IMRs to 75 deaths per 1,000 live births in 22 emphasis countries. By 1991 average infant mortality had declined from 97 to 87 in these emphasis countries and to 85 in all developing countries (excluding China).

A review of program performance information reported by Missions with child survival objectives reveals the following:

- Of the 16 Missions reporting child survival objectives, 13 are emphasis countries. Of the 22 emphasis countries in the PRISM database, 4 do not have child survival objectives or program outcomes.
- Baseline data show that several countries with child survival strategic objectives (three LAC countries and Egypt) had already achieved IMRs of 75 or fewer deaths per 1,000 live births (see Table D-2 in Appendix D). This contrasts with other

⁴

IMR is defined as the annual number of deaths of infants under age one per 1,000 live births.

Missions where baselines were far higher than Agencywide targets.

- The average expected annual reduction in infant mortality for all reporting countries was 1.9 deaths per 1,000 live births; for both Africa and LAC Missions the average was 2.1. By the end of its strategic planning period, for example, Peru expected to achieve the Agency's infant mortality target.
- Missions working to reduce infant mortality and to improve maternal and child health were pursuing a number of common strategies. Many had programs to increase immunization and ORT coverage. These Missions expected to make significant progress, and preliminary program performance information on actual results suggested that they were meeting estimated annual targets (see Table D-7 in Appendix D).

Chapter 3 describes related findings from child survival evaluations.

Family Planning

Given A.I.D.'s long-established role as a lead donor in population assistance, it is not surprising that more Missions had family planning as a strategic objective or program outcome than any other human development cluster. Twenty-two of the 55 Missions included in PRISM had family planning as a strategic objective (see Table D-3 in Appendix D).

Recent foreign assistance legislation required A.I.D. to report on the effectiveness of its family planning programs in 10 major A.I.D.-assisted countries. The FY 1992 PRISM database included information on nine of these countries. Six had adopted family planning as a strategic objective. Two of these countries were pursuing strategies that included family planning program outcomes contributing to a broader strategic objective.

Because A.I.D. has supported the collection of data on contraceptive prevalence rates (CPRs)⁵ and fertility through national surveys for more than two decades, most Missions have recent baseline data and a well-informed basis for estimating expected increases in CPR and changes in fertility. A review finds the following:

- Baseline CPRs (all methods) vary significantly from 1 to 2 percent in some African countries to as high as 55 percent in Latin America. The average CPR baseline was 20.9 percent for Missions reporting on all contraceptive methods and 29.5 percent for Missions reporting on modern contraceptive methods. African countries had lower baselines (an average of 6.9 percent for all methods) and LAC countries had higher baselines (49.7 percent on average).
- The CPR (all methods) in the developing world rose from 17 percent in 1970 to the present 44 percent (excluding China), for an annual increase of 1.2. Annual increases in CPR (all methods) expected by reporting Missions varied from a low of .25 to a high of 1.6. The average annual increase for all reporting Missions was expected to be 1.1 (all methods) and 1.7 (modern methods). For African countries, which had much lower baselines, Missions expected an average increase of 1.2 (all methods). LAC Missions, which work in countries with comparatively higher CPRs, expected an annual increase of .97.
- Of the few Missions that reported actual program performance data, all but three reported increases in CPR. In only a few cases did actual increases meet or exceed expected results (see Table D-8 in Appendix D).

Basic Education

Thirteen Missions reported strategic objectives in basic education (see Table D-4 in

⁵

Contraceptive prevalence rate (CPR) is defined as the percentage of currently married or in-union women of reproductive age (15-49) using any form of contraception. Modern methods include clinic and supply methods, such as pill, condom, IUD, and sterilization.

Appendix D). Another three Missions pursued program outcomes in basic education as contributing to another strategic objective. Whether education was promoted as a strategic objective or as a program outcome, education programs were seeking similar results: to increase educational enrollment and completion rates in the longer term through nearer term improvements in educational quality, effectiveness, efficiency, and equity.

The U.N. 1990 World Conference on Education for All established the goal of achieving at least 80 percent gross enrollment and 80 percent completion for all countries by the year 2000. A.I.D. has not, however, adopted these international goals as formal targets for countries receiving U.S. assistance for basic education. Agency programs have focused on improving enrollments of underrepresented groups (for example, girls) and on country reforms that help overcome underlying constraints on enrollment and completion. Three Missions have stated enrollment as an explicit part of their education objectives; six planned to report enrollment data as a key indicator of their program performance.

Program performance information for the basic education cluster of strategic objectives reveals the following:

- Five Missions reported expected increases in enrollment rates. Simply maintaining enrollment rates was an expected achievement in other countries, where rapid population growth placed an increasing burden on educational systems and where economic factors and direct costs of schooling often limited parents' ability to send children to school. Primary school completion was expected to increase over the strategic planning period in seven countries, bringing those countries closer to the U.N. 80 percent completion rate target.
- Missions were also projecting progress in nearer term improvements in educational efficiency as measured by decreases in drop-out and repetition rates. El Salvador, for example, expected the failure rate to

decrease by over 50 percent from 1990 to 1998.

- Data on actual results for seven Missions show all but one are making progress in achieving their basic education objectives and four are meeting or exceeding expected annual changes. Of six countries reporting improvements in efficiency, two showed improvement in reduced repetition.
- In most African countries and Pakistan, Mission strategies used nonproject assistance to leverage policy reforms intended to provide the basis for sustained improvement in primary education quality. Funding for other educational improvements was granted only after specific reforms to quality goals were implemented. These policy reform programs involved extensive donor coordination, with all donors requiring essential reforms before additional funds were disbursed.

Environment and Natural Resources

Natural Resources Management

Activities in the area of the environment are an increasingly important focus for A.I.D. and other donors. Strategic objectives in improving natural resources management focused on managing and using existing natural resources in ways that conserve and protect the environment and entailed strategies to help countries establish and implement policy incentives and regulations and practices that foster the sustainable use of natural resources (see Table D-5 in Appendix D).

Standard indicators and related data sources were less well developed than for more established programs. Several Missions were beginning activities that were expected to provide baseline data from which to measure subsequent progress. The environmental programs for which Mission-reported data were available were all in LAC. The following preliminary observations are based on these data:

- There were fewer common indicators for objectives in this cluster than for some other clusters. Many Missions were in the process of identifying appropriate performance indicators for their environmental programs, and baseline data still needed to be gathered.
- Where Missions had defined the results they expected to achieve by the end of their strategic planning period, these results were expected to be substantial. Costa Rica and Panama, for example, expected major reductions in deforestation rates.
- Actual results, where available, showed Missions making progress in achieving the results they expected—some were significantly exceeding those expectations. In Guatemala, for example, land under improved natural resources management increased nearly fourfold (see Table D-9 in Appendix D).

Chapter 3 describes related findings from an environment and natural resources desk study.

Other Performance Measurement Observations

PRISM is still at an early stage of development. Even when country and program coverage is complete, there will be a lag of several years before comprehensive performance information will be systematically available. However, PRISM data from 1991-1992 begin to suggest several broader observations.

A.I.D. has not clearly delineated Agencywide priorities and performance standards nor clarified how such priorities and standards should be reflected in Mission programs.

In selecting objectives, Missions must consider their countries' needs, the results that can be achieved, and the relevance of their objectives to A.I.D.'s priorities. In practice, A.I.D. has provided Missions with little guidance on how to make these deci-

sions—about how to balance various Agency priorities, about which objectives to pursue under what circumstances, or about what level of results would signify success. For example

- Four of the 7 Missions (all emphasis countries) that reported data on child survival objectives have already achieved IMRs below the Agencywide target of 75/1,000. At the same time, only 10 of the 24 Missions with IMRs above 75/1,000 have child survival objectives.
- Missions pursuing family planning objectives report baseline CPRs varying from 1 to 2 percent in some African countries to as high as 55 percent in Latin America.

Program costs appear to vary greatly in relation to program results.

The costs for similar programs in different countries will often vary for good reasons. At the same time, comparisons between results and the level of human and financial resources associated with them can identify differences between high- and low-cost programs that warrant further investigation. For instance, preliminary PRISM data received to date indicate that

- Per capita expenditures in pursuing trade objectives range from \$.12 in one country to \$10.30 in another to achieve comparable percentage increases in nontraditional exports (not including central, regional, or other donor dollars).
- Increases in funding for environmental programs in three Missions were associated with decreases in staffing, while decreases in funding for environmental programs in two other Missions were associated with increases in full time equivalents.

Program performance monitoring can reveal variations in results across countries, but more in-depth evaluation and research are needed to clarify the reasons for apparent successes and failures.

By describing and comparing patterns and trends in actual and expected results over time, performance monitoring can raise red flags, alerting managers to the need for more

in-depth examination of the reasons underlying observed differences in performance.

In the international trade area, for example, all six reporting Missions showed actual increases in nontraditional exports that were below expectations. If this pattern persists over time and for additional countries, this would suggest the need for further evaluation.

There may be trade-offs between performance indicators that are most useful for Mission decision-making and those that are most valuable for Agencywide comparisons.

To be useful for Mission decision-making, program performance indicators must validly measure the results being sought, be well grounded in development theory and practice, be empirically verifiable, and be practical. Missions have made progress in identifying indicators that meet these criteria, but considerable work remains to be done, particularly in new program areas such as democracy. At the same time, performance indicators, even for similar programs, vary considerably, and this diversity substantially limits firm conclusions about performance beyond individual country settings. While PRISM will continue exploring better ways to compare program performance Agencywide, our emphasis will remain on helping Missions get and use performance data for decision-making.

The Relationship Between Program Performance Monitoring and Evaluation

This chapter has presented preliminary findings from a review of program performance information in the FY 1992 PRISM database. By observing performance trends and patterns in "clusters" of strategic objectives, managers can monitor the following:

- What Missions and programs expect to accomplish (expected results)
- How well Missions and programs meet their expectations (actual results)

Program Performance Indicators: What They Are and Are Not

Indicators can serve several purposes. Program performance indicators developed for PRISM should provide clear and convincing evidence that a program is or is not achieving intended objectives. Such program performance indicators should be economical, few in number, valid, and understandable by a nontechnical audience.

Program performance indicators are not a substitute for research or evaluation, nor should they measure everything in which researchers or evaluators might be interested. They can identify successes or signal likely problems warranting further examination, but they cannot explain why a program has or has not been successful. Likewise, program performance indicators cannot tell managers everything they need to know to effectively and efficiently manage their programs or projects, but should be able to identify problems warranting special management attention.

- The returns A.I.D. is receiving on its investments

While this information is useful for monitoring overall program performance, it cannot answer the question of why some programs succeed in accomplishing their expected results and others do not. More in-depth evaluation is needed to inform managers

- Why a specific type of program or project did or did not work (and what aspects did or did not work)
- The extent to which A.I.D. can verify that the results achieved were attributable to the Agency's program strategies
- The extent to which successful programs can be sustained and replicated in other countries

The next chapter describes the findings and management implications of recent CDIE evaluations that address these related questions.

3. Findings From Recent Evaluations: Performance and Management Implications

A major role of the Agency for International Development's (A.I.D.) evaluation function is to examine the Agency's experience with programs and projects, to learn the important lessons from that experience, and to use those lessons to improve future performance. The Center for Development Information and Evaluation (CDIE) seeks to unearth those lessons and present them to Agency senior management for strategic decision-making and to program managers for improving operations.

CDIE evaluation findings and recommendations are disseminated in a variety of ways—through distribution of evaluation reports and brief written summaries, through oral briefings for senior management, and by compiling and maintaining compendia of relevant evaluation findings. This chapter summarizes the findings of several CDIE evaluations recently completed or nearing completion, including those of two recently completed operations and management assessments.

Several of A.I.D.'s operating bureaus also undertake program assessments of relevance to senior managers. Future annual report efforts will summarize key findings from these evaluations.

Economic Development

Export and Investment Promotion Services

Most development experts consider trade policy liberalization to be fundamental in stimulating export-led growth in developing countries, but agree less on the value of direct export promotional assistance. CDIE has just completed a worldwide assessment

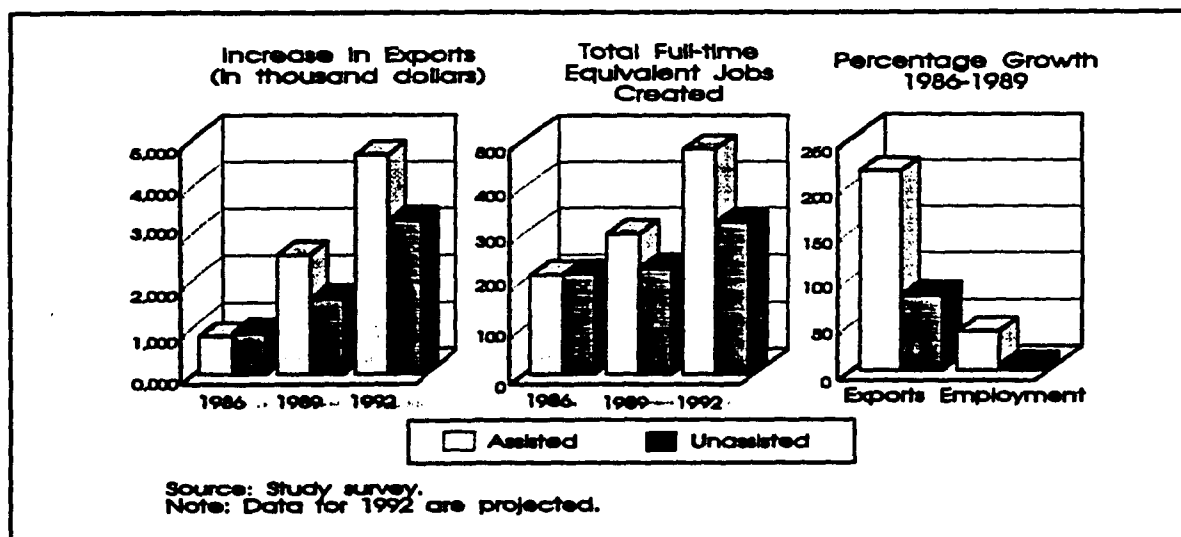
of A.I.D.'s experience with direct promotion programs for investment and exports, on which A.I.D. spends about \$200 million per year. The conclusions of this evaluation led to reviews by operating bureaus of both ongoing and proposed projects for conformity with the findings.

Two key questions were asked, Is such promotion assistance worthwhile? and, Does it merit continued Agency support? To get at these questions, completed programs in the Latin America and the Caribbean, Asia, and Near East Bureaus were reviewed, and fieldwork was conducted in seven countries in Latin America and Asia. The study included a cross-country survey of nearly 300 exporters from developing countries, including firms receiving services from A.I.D.-assisted intermediaries and those receiving a variety of other services. The survey sought to learn what types of services exporters in developing countries actually used, which ones had the greatest impact on their export growth, and who provided these services.

Findings

Appropriateness of A.I.D. Support. This evaluation and other research provide convincing evidence that donor support for export and investment promotion is justified in some circumstances and can reinforce appropriate policies (see Figure 3.1). When reforms are first implemented, firms new to exporting have a great deal to learn: characteristics of foreign markets, how to link up with foreign buyers, and how to meet international quality and packaging requirements. Such services can speed up the private sector response to policy improvements and can accelerate export growth.

Figure 3.1 Comparison of the Performance of Assisted and Unassisted Firms, 1986-1989



Economic Impact. As illustrated in Figure 3.1, survey evidence suggests that export and investment services have had a positive impact on export growth and employment in developing countries. Service use seems to correlate with strong export performance of firms in outward-oriented economies.

Rate of Return. Export and investment promotion programs also have the potential to offer attractive rates of return to A.I.D. investment. Economic rates of return for four promotional institutions examined ranged from 12 to 26 percent. Many A.I.D. programs, however, were found to have such inadequate information for tracking project impact that calculating rates of return ex post was difficult or impossible.

Service Strategies. Exporters require different types of information and services at different stages of export experience. Early on, firms need information primarily to secure buyers, and firms surveyed considered foreign market information and buyer contacts to be critical to their entry into exporting. Once buyer links are developed, exporters often need technical advice to raise productivity and meet international quality requirements. Direct A.I.D. or host government provision of such technical expertise is likely to be costly and a high risk. Buyers, investors, or other business partners are usually more effective.

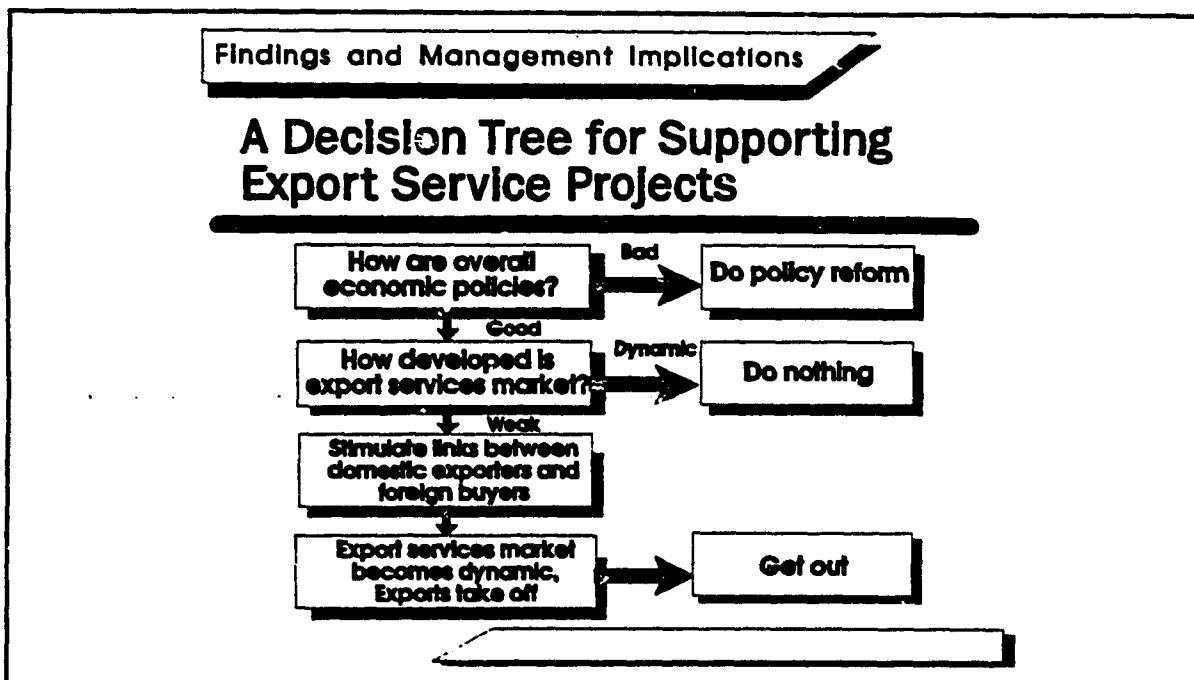
Service Providers. Exporters gave the most credit for their success to their business partners—buyers, foreign investors, and suppliers. Firms rated most of the services provided by buyers and foreign partners as having a significant impact on their entry into the export market or the expansion of their exports. With the exception of one case where a relatively autonomous government organization focused principally on facilitating exporter contacts with buyers, exporters gave little credit to government service providers and had a low opinion of government assistance programs. A.I.D.-supported nongovernmental service providers have been generally successful in avoiding the pitfalls associated with government programs.

Management Implications

The most important management implications suggested by the findings are as follows:

There must be a favorable policy environment. If trade and foreign exchange are heavily controlled by government, there is little likelihood that donor support for firm-level services will succeed. If policies are favorable, then the export support services market needs to be examined. Are buyers, foreign partners, and private associations able and willing to respond to the demand for services? If so, there is no need for donor

Figure 3.2 A Decision Tree for Supporting Export Service Projects



action. If the private support services market is too underdeveloped to respond quickly, A.I.D. should identify gaps for potential support. Over time, as exports take off and a well-functioning service provider market has developed to fill such gaps, the A.I.D. support should end. Figure 3.2, A Decision Tree for Export Service Projects, provides a visual perspective on this decision-making process.

Projects must focus on bottom-line impact. The purpose of such services is achievement of nontraditional export growth, not institutional development of the intermediaries. Project activities should target concrete, near-term prospects and track results closely. Service providers need flexibility to fill service gaps that will produce exports quickly.

Foreign private links are important. The most important providers of services to exporters are foreign business associates—buyers, suppliers, foreign partners. Services, such as foreign market information and buyer contacts, which lead to long-term linkages between firms new to exporting and

commercial service providers from abroad, can play a key role.

Avoid government institutions as service providers and do not limit support to a single service provider. Project designers should consider either assisting more than one private for-profit or not-for-profit service provider or supporting cost-sharing mechanisms that allow firms to select their own service provider. All such assistance to service providers should be time bound, results focused, and based on a defensible economic rationale.

Although the final report of the assessment is not yet complete, the Agency has already begun to implement the study's principal recommendations. Regional bureaus are reviewing ongoing and proposed export promotion projects in countries where the policy regime makes the effectiveness of such projects questionable.

Development Finance Institutions

Donors have used Development Finance Institutions (DFIs) for several decades as vehicles for promoting development. Such

institutions are typically established in the public sector explicitly to lend donor resources for investment, small business, or other development purposes, often with a focus on the economically disadvantaged. The results have often fallen far short of expectations. Despite such problems, the Development Assistance Committee (DAC) of the Organization for Economic Cooperation and Development (OECD) was still recommending continued support for these institutions in its 1989 report. To stimulate multilateral discussion of continued support to DFIs, CDIE prepared a synthesis report of donor experience for the DAC. The report, presented to the DAC Expert Group on Evaluation, is based on review of donor evaluation reports by nine multilateral and bilateral donors covering projects since the mid-1970s.

The CDIE review focused on three key questions: (1) How effective have DFIs been in reaching disadvantaged groups? (2) Are DFIs sustainable? and (3) Have DFIs contributed to the development of financial markets in developing countries?

Findings

Targeting Beneficiaries. DFI programs in some developing countries have helped expand the supply of short- and long-term credit to the private sector, but they have not been successful in reaching small- and medium-sized enterprises. High collateral requirements for credit and significant transaction costs of loans have typically resulted in concentration of resources in the hands of larger subborrowing enterprises. The review points out the informal sector's continued inability to access formal sources of credit, including loans from DFIs.

Developing Financial Markets. DFIs have contributed little to strengthening financial markets in developing countries. Donor belief that DFIs would have a virtual monopoly over long-term financial markets in developing countries has proven false, particularly in the face of increasing competition from commercial banks, leasing companies, and other sources of long-term credit. Furthermore, financial policy measures in many developing countries control

interest rates and credit allocations, limit short-term lending and commercial paper operations, restrict competition among financial intermediaries, and constrain financial diversification. These measures place severe limits on the ability of DFIs to offer new financial services, raise substantial domestic resources, and help develop domestic capital markets.

Achieving Sustainability. Contrary to expectations, most DFIs have been unable to achieve sustainability. Poor financial performance is typical of most donor-supported DFIs. Poor financial management, lack of risk diversification, high arrears on loan portfolios, and conflicting donor objectives all contributed to this result. Most DFIs have been unable to mobilize domestic savings.

Conflicting Donor Agendas. Donors have often operated at cross-purposes. Some have viewed DFIs as vehicles for promoting development objectives, even if they require continued subsidizing, whereas others have expected DFIs to be self-sustaining financial intermediaries. These two objectives have often conflicted. Adding to the problem, donors have supported a proliferation of DFIs targeting different economic sectors, with different interest rates and loan criteria for subborrowers. This has led to confusion among beneficiaries, underutilization of donor funds, and instability of the lending institutions.

Management Implications

Avoid supporting DFIs as instruments for strengthening financial markets. Financial market policy is the critical factor in developing strong financial markets, not the availability of additional funds from donors for particular institutions.

In cases where support of a DFI is sought for other purposes, lessons include the following:

- **DFIs are not sustainable in bad policy environments.** A.I.D. must understand the economic and financial framework in which a DFI must operate before deciding to assist the institution. If the environment is too unstable, DFIs are likely to fail.

- ***For most purposes, support only DFIs that can be competitive.*** DFIs that cannot compete in competitive financial markets will never become sustainable. Typically, government-created nonbanking DFIs are the least able to operate competitively, while DFIs with the legal capacity to function as commercial banks are better able to operate in competitive financial markets. DFIs need to charge positive real interest rates, use extensive branch networks, and have adequate financial management and administrative cost controls. Competition among DFIs and other financial intermediaries also benefits borrowers. Donors might include umbrella loans available to several DFIs or to non-DFI intermediaries, such as commercial banks, to promote competition.
- ***Be explicit about goals of DFI projects.*** If the DFI is expected to function as a self-sustaining financial institution, other goals for the activity must be subordinated. If the DFI is expected to function predominantly as a subsidized vehicle for preferred recipients, the sustainability implications need to be recognized and planned for.
- ***Better donor coordination is needed.*** Donors need to work for greater consensus on DFI programs and financial market development to keep DFI programs from perpetuating unsustainable approaches. Thus, greater collaboration among donors is highly desirable in setting the terms for lending to DFIs, rates of interest to sub-borrowers, and eligibility for these programs.

Since the study on DFIs was published, A.I.D.'s Policy Directorate has reinforced existing financial market policy guidance stressing support for financial market reform over DFI projects and has made requirements for supporting DFIs and other financial intermediaries more stringent. At the 1991 OECD/DAC meeting on the private sector, donors reviewed this evaluation's findings and concluded that financial market reform should take priority over direct support to DFIs.

Microenterprise Development

A substantial portion of economic activity in poor countries is conducted in very small enterprises. Firms employing 10 or fewer people—microenterprises—account for between 40 and 90 percent of manufacturing employment in the lowest income countries. In rural areas, microenterprises account for the majority of employment in all enterprises, including manufacturing; in urban areas, they account for the majority of employment in commerce and services. Assistance for such firms has been increasingly favored by donors as a means of responding to poverty and unemployment problems. However, much debate exists concerning what types of interventions are most successful under what conditions.

By the end of the 1980s, A.I.D. had funded 87 projects totaling \$290 million for microenterprises. The results of a 1989 CDIE assessment of these programs are summarized here in view of the widespread interest in these programs and their cumulative magnitude. The evaluation included a review of existing evaluation reports and field visits to 27 projects in 10 countries. The study assessed three main approaches:

- ***Enterprise formation***—projects primarily aimed at promotion of new businesses through overcoming social and economic obstacles to their formation
- ***Enterprise expansion***—projects aimed at improving the performance of existing microenterprises, usually through provision of credit or technical assistance
- ***Enterprise transformation***—projects intended to graduate clients out of the microenterprise sector

Findings

Performance of the Three Assistance Approaches. Enterprise expansion proved to be the most successful approach in reaching large numbers of beneficiaries at low cost. Enterprise formation has often required levels of technical assistance where cost exceeds the benefits produced. Enterprise transformation often encounters problems from lack of access to appropriate financial institu-

Table 3.1. Key Indicators in A.I.D. Microenterprise Stocktaking Based on a Sample of 32 A.I.D. Microenterprise Projects and Programs

Indicator (avg. amt.)	Program Approach		
	Enterprise Formation	Enterprise Expansion	Enterprise Transformation
Beneficiary Enterprises			
Number of enterprises served yearly	328	87,871	264
Women in beneficiary firms	59%	42%	27%
Manufacturing enterprises	54%	40%	60%
Loan Size			
Dollar average	\$508	\$705	\$3,261
Relative to per capita income ^a	1.2	2.0	10.2
Program Cost			
Per beneficiary	\$948	\$575	\$2,549
Per dollar loaned ^b	\$3.24	\$0.46	\$1.08
Real interest rate	3%	17%	0%
Lending for fixed assets	25%	20%	45%

Note: Sample of 32 is out of an estimated 87 field programs and projects in 1987.

^a Average loan size in relation to per capita GDP for the 32 programs in the sample (unweighted by population). This indicator compares loan size with income level. If an LDC has a per capita GDP of \$150 and the average loan size is \$300, the ratio would be 2.0. This indicator helps compare programs in countries with different levels of income. For example, a \$300 loan in a country with a per capita income of \$300 is quite different from a \$300 loan in an LDC with a per capita income of \$1,000.

^b Real interest rate. This indicator deflates the nominal or stated rate of interest by rate of inflation.

tions. (See Table 3.1, Key Indicators in Microenterprise Stocktaking, for data on the performance of these program approaches.)

Reaching the Poor and Women. Microenterprise programs reach the poor and the highly disadvantaged effectively. Successful microentrepreneurs usually come from relatively better educated and higher income poor people. The poorest tend to benefit most often from employment in microenterprises rather than from ownership. Job creation was generally larger in manufacturing microenterprises, particularly larger ones, than in service or commercial firms.

Most microenterprise projects have been successful in providing women with income-earning opportunities and particularly so in urban commercial enterprises. Enterprise formation projects produced the highest percentage of women beneficiaries.

Group, rather than individual, lending approaches seem to work best with women clients.

The study found a trade-off between success in supporting profitable businesses and the goal of targeting the most disadvantaged. Programs that emphasized profitability as the more important goal have tended to be more successful and sustainable than those directly targeting particular groups.

Loan Size. A.I.D. has used \$300 as an upper limit to distinguish microenterprise lending from other antipoverty lending. The study, however, found that two-thirds of the projects had average loan sizes exceeding \$300. Only projects for short-term working capital generally fell below this limit, and most were for enterprise expansion projects.

Graduation. Most projects had difficulty graduating even their best performing

firms to commercial financial markets. The wide gulf between these successful small businesses and the well-established clients that commercial banks serve in most developing countries remains unbridged. Some intermediaries serving microenterprises are seeking to close this gap by behaving more like commercial banks—widening their client base and diversifying their service offerings.

Management Implications

Focus on enterprise expansion programs. Enterprise expansion through credit-only projects represents the most proven and cost-effective approach to microenterprise development. Wherever appropriate, this should be taken further by encouraging the intermediary lender to broaden its client base and service offerings.

Be cautious about technical assistance and training. Projects with large technical assistance and training components have generally performed poorly. Both inadequate targeting of assistance and high cost have been impediments. These activities work best when focused on a few critical constraints or on the problems of borrowers in a specific industry.

Target sectors where disadvantaged groups predominate. Targeting of sectors where disadvantaged groups work is preferable to a focus on allocation based on income or gender of the individual participants. More women benefit from support for urban commercial microenterprises, while manufacturing microenterprises generally create more jobs.

Graduate programs, not firms. There are several recent examples of microenterprise lenders that have successfully forged strong links to commercial sources of finance. Such intermediaries can provide a sustainable source of funding to microenterprises as they achieve greater success and size.

This evaluation has had a fundamental influence on the design of many A.I.D. and other donor microenterprise projects, including the \$16 million GEMINI project executed by the Office of Small, Micro and

Informal Enterprise and the Microenterprise Monitoring System. Specifically, it led to greater emphasis on the development of programs focused nearly exclusively on credit and more research on the cost-effectiveness of programs with large technical assistance components. The typology utilized in the report, that is, enterprise formation, enterprise expansion, and enterprise transformation, has been adopted as a standard approach by donors and by the academic literature.

Social Safety Nets

By the mid-1980s, development practitioners realized that economic restructuring was more complicated than previously thought. Developing country governments and donors had concerns about the social costs of implementing economic policy reforms needed for stabilization and structural adjustment. Critics of International Monetary Fund and World Bank programs contended that some groups, especially the poor, bore an undue share of the adverse impacts of economic adjustment.

In response, governments and donors (including A.I.D.) initiated programs to compensate the losers and ease the transition to resumed economic growth. Compensatory or social safety net programs undertaken included credit projects, job training, severance pay, agricultural resettlement, social service support through nongovernmental organizations (NGOs) and local government, and targeted subsidies for food and other basic commodities.

A recently completed CDIE study indicates that, in general, donor experience with programs to mitigate adverse social impacts during economic structural adjustment has not been positive. The study examined the literature, reviewed donor programs (especially World Bank-led efforts), and then focused specifically on A.I.D.'s limited experience.

Findings

Social Costs. Several studies have produced mounting empirical evidence that the social costs of adjustment have often been exaggerated. This weakens the case for pro-

grams that seek to redress such social costs.

Mislabeling. CDIE's study shows that, frequently, compensatory programs (for example, employment creation, targeted credit programs, and food support) have not been labeled accurately. Often, they are simply repackaged ongoing activities (especially poverty alleviation programs) that address objectives not related to adjustment.

Poor Design. Donors and host countries have not designed the programs well and have paid scant attention to opportunity costs. With few exceptions, planners and decision-makers have not thought through the cause and effect relationships between adjustment measures and their impact on the poor and other vulnerable groups, or on income distribution. Consequently they have not incorporated these considerations into program design.

Retraining. The long-run potential of emergency programs to build job skills of dislocated workers is overestimated, based on the experience of A.I.D. and other donors.

Limited Success. Although experience with most types of compensatory programs has not been encouraging, there are a few successful experiences. For example

- **Severance payment schemes.** There is some evidence of success with severance payment schemes for former public employees using local currency proceeds. In Mali, departing civil servants used substantial portions of their lump-sum payment for private investment and self-employment, but loan guarantee and feasibility studies components were much less successful. A separate study in Ghana found similar evidence on lump-sum payments.
- **Public works.** In Tunisia, the Rural Public Works program was reasonably successful in targeting assistance to some of the needy.

Management Implications

Identify the problem and design an appropriate feasible program. Decisions to

support programs for mitigating projected adverse social impacts during economic adjustment require precise identification of the problem, selection of the appropriate program, and determination of the program's feasibility. Decisions must be made on a case-by-case basis as to whether A.I.D. should support such programs. Their appropriateness varies greatly by country and by the capacity of both A.I.D. and local governments to implement them well.

- **Problem identification.** Which socioeconomic groups are most likely to be hurt by the reforms? Both A.I.D. and the host government must determine if assisting those hurt by reforms has priority.
- **Program identification.** Are the target groups best assisted by long-term or short-term interventions? If the problems appear transitory, then relief programs, labor-intensive public works, severance pay, and other temporary programs may be the most rapid and cost-effective way to reach the greatest number of those suffering hardship. If the problems seem persistent, longer term interventions to increase the physical and human capital of the poor may be more appropriate. It may not be possible for the same program to address effectively both short- and long-term problems.
- **Program feasibility.** What are the administrative, political, and economic feasibilities of the intervention? Trade-offs exist between targeting mechanisms aimed at the most needy (costly but equitable) and widening the net (less equitable but less costly). Political feasibility is related to both geographic location and spread. Governments also often lack the administrative capacity to implement both short- and long-term programs. A.I.D. needs adequate staff as well. Economic feasibility needs to be measured using cost-benefit or cost-effectiveness analysis.

A.I.D. Economic Policy Reform Programs in Africa

After independence, many African countries developed elaborate market controls and regulations, seemingly for worth-

while purposes: to keep prices reasonable for the poor, to protect local firms from ruinous competition, to ensure readily available supplies, or to prevent exploitation. Over the years, however, many short-term controls became permanent and increasingly counter-productive, as economic conditions changed. From FY 1985 through FY 1990, A.I.D. committed \$308.8 million to help 19 African countries restructure their economies. From FY 1989 to 1991, CDIE and the Africa Bureau jointly evaluated A.I.D.-supported reform programs in six African countries to learn how to improve the development impact of future policy reform programs.

Findings

Effectiveness of Reforms. At the time of the evaluations, it was still too early to judge longer term impacts, but initial performance was positive. Removal of controls and elimination of subsidies, protection, and monopolies had positive impacts on prices, competition, and efficiency. The private sector, however, was often slower to respond to the new market opportunities than had been anticipated.

- **Removal of price and market controls.** The removal of price and market controls generally had an immediate and positive impact. Prices fell and goods became more readily available. In at least one country, prices fell because previously, under controls, businesses had to make allowances for fines and outright bribes to officers administering the controls, and business people marked up their prices to partially offset the uncertainty created by the controls.
- **Elimination of subsidies and protection.** The elimination of subsidies and industrial protection spurred productive efficiency. Although productivity improved, many firms that had previously been subsidized or protected from competition now faced painful adjustments. Many were forced to cut back production, and some went out of business.
- **Elimination of monopolies.** The elimination of monopolies by state-owned enterprises opened markets and allowed private

sector firms to compete and deliver goods at lower prices. In one country, price de-control ended the government's fertilizer monopoly. As a result, monopolistic profits were cut, the private sector imported and distributed fertilizer, and the cost of importing and distributing fertilizer to farmers was reduced. However, in several of the countries assessed, the problem of linked markets (where the government still had monopolies or applied controls) hampered the effectiveness of reforms. An additional problem was that the reduction of controls often was not matched by a reduction in government bureaucratic red tape and administrative delays.

- **Slow private sector response.** One disappointment was the hesitancy and reluctance of the private sector to take full advantage of new investment and market opportunities. The uncertain political environment and uncertainty surrounding the sustainability of the reforms put a damper on long-term investments.

Management Implications

Focus on soundness of reforms, not on mode of assistance. A.I.D. should concentrate more effort on the development of analytically sound reform programs and less on the type or form of assistance A.I.D. provides. In the six reform programs, A.I.D. provided resources through a variety of mechanisms—cash transfers, commodity import programs, Public Law 480 arrangements. The impact of the reforms depended on the soundness of the reforms and the host government's ability to implement them, not on the type or form of A.I.D. assistance. Substance, rather than form, is of the essence.

Consider the bureaucratic constraints. In each country, analyze not only the economic aspects of the reforms but also the bureaucratic hurdles to be overcome. Reducing controls produced clear benefits, but usually, even after controls were lifted, a thicket of ministerial approvals, forms, and clearances remained. Extensive analysis of bureaucratic procedures and processes may be needed to identify all the obstacles and re-

lated costs in time and money to businesses.

Build the country's policy analysis capacity. Development of the host country's internal policy analysis capacity is important for the long-run sustainability of the reforms. While all of the A.I.D. programs included some technical assistance to improve the host government's capacity to develop and implement reform programs, the assistance was often limited or otherwise inadequate. Economic reform is a continuing process requiring constant monitoring and adjustment. If the country's capacity to analyze the process and set its own agenda is not developed, the risk of reform failure is high.

Include performance monitoring in design. Data collection and analysis must be included at an early stage in the design of a policy reform program. The need for baseline data collection and monitoring is clear. The reform program will have to rely on information systems to measure progress and impact and to provide input for the redesign of the reform effort as needed.

Human Development

Child Survival

In 1985, A.I.D. launched the Child Survival Initiative with the objective of rapidly reducing infant mortality rates in A.I.D.-assisted countries. Since 1985, A.I.D. has provided over \$1.2 billion in assistance to child survival services, principally to 22 emphasis countries. CDIE is now completing a Program Assessment of A.I.D.'s Child Survival Activities, based on field case studies performed in six of A.I.D.'s emphasis countries: Egypt, Indonesia, Morocco, Malawi, Haiti, and Bolivia. Fieldwork has been finished and the final synthesis report is under preparation. The following is a preliminary overview of some of the likely conclusions of the synthesis report.

Tentative Findings

Effectiveness of Health Interventions. A.I.D.'s Child Survival Program, working in collaboration with other donors, has had considerable success in expanding the cover-

age of basic maternal and child health-care services. Figure 3.3 shows the declines in infant and child mortality rates that have resulted, in part, from A.I.D. support for national child survival programs. Preliminary findings from the case studies on the effectiveness and health impacts of specific interventions are

- Immunizations are the most successful intervention. The coverage of vaccination programs has increased rapidly in most participating countries, and infant deaths from vaccine-preventable diseases are declining.
- Oral rehydration therapy (ORT) to prevent deaths from diarrhea, on the other hand, has been ineffective in a number of A.I.D.'s child survival emphasis countries. Logistical problems, lack of interest by national health and political authorities, and difficulties in transmitting some fairly complicated new behaviors and insights to mothers are factors that have contributed to the disappointing performance of ORT components of A.I.D.'s Child Survival Program. As a result, diarrhea-related dehydration continues to be a major cause of infant deaths, claiming the lives of three million children each year.
- A.I.D.'s Child Survival Programs have had limited success against acute respiratory infections in some countries, but lack of a simple, low-cost intervention restricts the programs' impact.
- Similarly, nutrition activities have had only limited effectiveness in reducing infant mortality due to the lack of simple, affordable interventions.
- Child spacing, on the other hand, is working well in a number of countries, reducing high-risk births with family planning methods.
- A.I.D.'s water and sanitation activities appear to improve health conditions and reduce infant deaths, but on only a very small scale because of the high cost of installing water systems. Water and sanitation components are effective only if there is strong community involvement and education.

- A.I.D.'s programs have been effective in a number of countries attacking local health problems and epidemics that have critically affected child survival rates, such as malaria, cholera, Dengue fever, Chagas' disease, and HIV/AIDS. Such interventions may, in a number of cases, be more responsive to local health conditions than the standard child survival interventions.

Health Policy Reforms. The A.I.D. Child Survival Program has succeeded in influencing health policies in a number of countries. Using a variety of mechanisms, A.I.D. Missions and projects have contributed to such policy changes as increased budgetary allocations for primary health care, decentralization of health services administration, incorporation of family planning into maternal/child health services, and participation of the private sector in public health services. In spite of progress on the policy front, however, many countries still provide too large a share of their public health budgets to curative and hospital services and not enough to primary care.

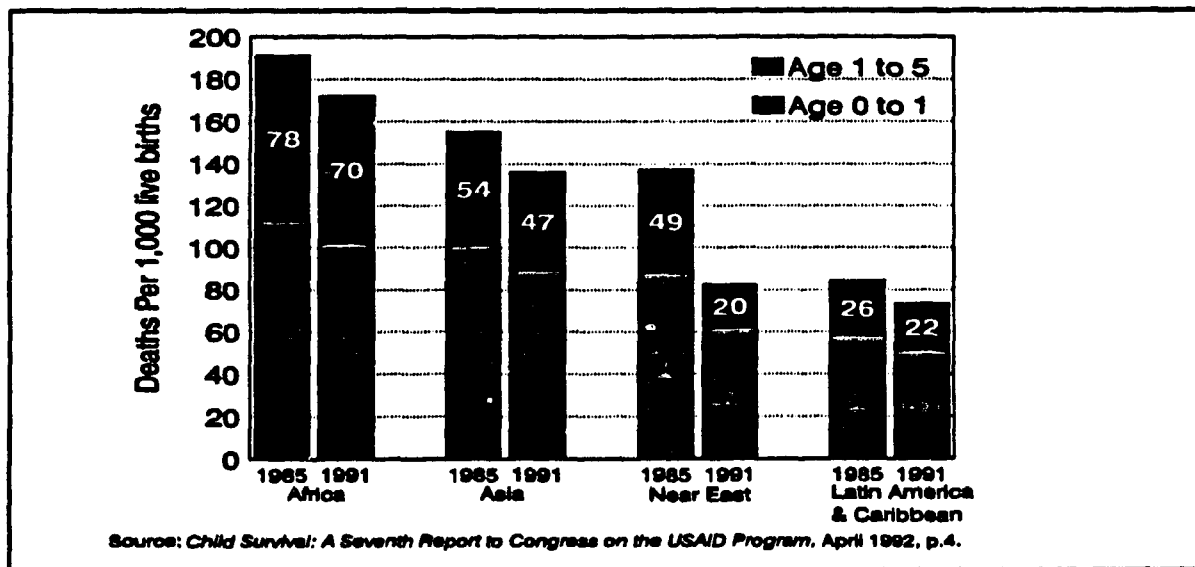
Sustainability. CDIE found that the countries studied have tended to become heavily donor dependent in the primary health care area. The impressive progress in reducing infant mortality that has been made in recent years could easily be lost if donor priorities should change, as they often do. Failing to address the need for long-term

institutional and financial sustainability in many countries is perhaps the greatest weakness of the A.I.D. Child Survival Program to date. A few notable success stories, like A.I.D.-assisted child survival organizations in Bolivia, have shown that it is feasible for child survival programs to recover a good share of their costs through fee-for-service and cross-subsidy arrangements. A.I.D.-established endowments hold promise for helping private sector providers become financially sustainable. Some programs—Malawi, for example—are working to strengthen the national institutions providing child survival services by training staff and improving management and administrative capabilities. Overall, however, the CDIE study judged that A.I.D. and other donors have given too much priority to delivering services to produce quick impact and not enough priority to developing permanent, sustainable national delivery systems. Experience in a number of countries shows that an effective strategy is to introduce new services with initial strong donor support as high-priority vertical activities, then to integrate them into the national public health system as permanent, locally sustainable services once they have become successful and accepted.

Tentative Management Implications

Pick the interventions based on local need. Specific health interventions should be

Figure 3.3 Infant and Child Mortality in A.I.D.-Assisted Countries, 1985 and 1991



designed in the field, based on their potential for rapidly achieving the greatest possible reductions in infant mortality at the lowest possible cost. This involves analysis of local health patterns, appropriateness and availability of technologies, and so on. For example, A.I.D.'s concentration on malaria (not one of the four core A.I.D. child survival interventions) in Malawi attacks the number one cause of infant mortality in the country.

Concentrate more on health sector policy. A.I.D. country programs should have a clear policy dialogue agenda in the health sector, and continuing A.I.D. funding support should normally depend on performance of local health institutions in meeting policy reform objectives, such as targets for increased budgetary emphasis on primary and preventive health care or increasing assumption of costs. For example, the A.I.D. Child Survival Program in Bolivia has helped shift national health priorities toward primary health care and has helped the Ministry of Health to address the problem of financial self-sustainability by initiating user fees.

Focus more on sustainability and institutionalization. A.I.D. should concentrate more on institutional strengthening and on financial sustainability of child survival services, once effectiveness has been demonstrated. Programs in most of the existing 22 emphasis countries should begin to move to a consolidation/sustainability phase, and work could begin in a small number of new emphasis countries if resources permit. Each country program should introduce a limited number of low-cost health interventions most responsive to local health problems, support operating costs for a finite period of time, and then integrate them into the local public health system.

Democracy and Governance

Legal Systems Development

Efforts to enhance capacities in lawful governance constitute a major thrust of A.I.D.'s democracy initiative. In particular, the Agency is supporting legal and institu-

tional reforms that strengthen the protection of human rights and foster greater transparency and accountability in government bureaucracies. Beginning in the mid-1980s, the Agency launched a major program in improving the structure and performance of national judicial systems in Latin America, accounting for over \$100 million. In Asia and Africa, there have been smaller investments, with a primary focus on strengthening NGOs in the expansion of legal services.

Given A.I.D.'s sizable and growing investment in the area of lawful governance and the importance of the rule of law as a cornerstone of the entire democracy initiative, CDIE has initiated a review of past and current experience in legal and judicial reform. The review includes programs of other donors, such as the Ford Foundation and the Asia Foundation, both of which have a long history of program support in law and legal assistance in the developing world.

CDIE has completed the fieldwork for case studies of the Agency's administration of justice programs in Colombia and Honduras and will be undertaking additional assessments in Asia and perhaps in Africa in FY 1993. In Latin America, the primary emphasis has been on strengthening the independence of the judicial branch and enhancing efficiency through improvements in court administration. Although it is too early in the evaluation to infer generalized management implications from data collected and analyzed thus far, several tentative findings have begun to emerge from the two initial country studies.

Tentative Findings

The Need for Outside Constituencies. Initial resistance to legal reform in the first two countries studied indicates that expansion and improvement of judicial services are difficult to undertake without significant pressure and support from outside constituencies. In the absence of such constituencies, reformers within the judiciary may have neither sufficient leverage to overcome the inherent conservatism within the judicial branch nor the power to bargain for additional resources from the executive and legislative branches of government.

Multiple Institutional Focus. Efforts to improve the accessibility and efficiency of a justice system require undertaking reforms and improvements among a wide spectrum of agencies, including the courts, police agencies, and the prison system, and frequently involves securing the support of the political parties and the military as well. It may also require changes in penal codes and procedures, which may require legislative approval, if not constitutional reforms.

Time Horizon. Initiating and consolidating judicial reforms is a long-term process, perhaps spanning a 15 to 20 year period. Judicial reform touches on the core elements of a political system, and, thus, the process of initiating and consolidating advances is slow and incremental.

Sustainability. Without widespread and enduring public and media vigilance in safeguarding the integrity of the judiciary, it is not clear that investments in the judiciary will yield lasting results. Even a strong judicial branch is highly vulnerable to outside pressures and encroachments on its authority from other parts of the government.

Environment and Natural Resources Management

Between 1980 and 1991, A.I.D. designed and implemented a variety of projects that included environment and natural resources objectives. More than \$3.3 billion was authorized over this period to fund these environmental activities, of which \$1.5 billion was for Egypt's water and wastewater projects. These projects included (1) rural land-based activities (green realm), (2) urban/industrial and energy activities (brown realm), and (3) fisheries and coastal resources activities (blue realm). Overall, however, the Agency's environment and natural resources portfolio has emphasized environmentally sound agriculture projects (41 percent) and energy projects (29 percent).

In FY 1992 CDIE initiated an assessment of A.I.D.'s environmental programs. A

desk study of project evaluation literature covering over 130 projects was completed in September 1992; and the first of eight planned field studies took place in Pakistan in October 1992. The desk review of these projects revealed that the Agency has employed a range of strategies to achieve environmental objectives. The most prominent among these strategies have been (1) institution building, (2) policy reform, (3) education awareness, (4) technology transfers, and (5) involvement of NGOs. The impact and performance of these strategies has been mixed, and the Agency's documentation is spotty. CDIE field assessments will be conducted to get better evidence of what has worked and why.

Tentative Findings

While it would be imprudent to draw management implications before the fieldwork is completed and the data analyzed, several tentative findings have begun to emerge from the desk study stage of this evaluation.

Development and Conservation Trade-Off. Environmental problems revolve around the appropriate balance between conservation and development, both of which are important objectives. The desk study confirmed that there are often important trade-offs between development and conservation objectives. In addition, some groups are likely to benefit and some are likely to lose as a result of environmental projects. There has been a tendency in many A.I.D. projects to deny that such trade-offs exist and that hard choices must be made.

Trade-offs are also seen with economic policies and can have both positive and negative effects. For example, agriculture input-subsidy policies that stimulate excessive use of pesticides or chemical fertilizers will have a negative environmental impact, but at the same time they will contribute to an increase in production, at least in the short run.

Institutional Capacity. Because awareness of environment and natural resources issues is a recent phenomenon in most developing countries, institutional capacity particularly in the public sector to address these issues has been weak and disorganized, and

this has seriously hampered project implementation. Government organizations were usually ineffective implementors of environmental projects; on the other hand, the strengthening of local NGOs achieved considerable success in a number of projects.

Local Participation. The desk study indicated that projects that do not address issues in which people are interested, or do not address them in ways participants believe are feasible, have failed. New natural resources practices that were introduced through "demonstration" techniques were slower to spread—if they survived at all—than those designed, developed, and diffused through active involvement of participants and beneficiaries.

Access to Natural Resources. Ownership of and access to natural resources are important issues for sustainable resource management. In working the land for any purpose, project participants need assurances that they will benefit from their labors; yet lack of such assurance appears to be a fundamental flaw in many village-based woodlots and reforestation efforts.

Measuring Environmental Impact. Most projects did not appear to be directed specifically at producing measurable environmental improvements, though this claim was made for some. For example, rather than reverse degradation through reforestation, the goals of a project are often stated in such terms as increase seedling production and planting. In addition, although many A.I.D. projects have apparently yielded benefits related to environmental and natural resources management, only in rare instances are these benefits directly measured. For most projects, baseline data were not collected, and monitoring was not built into the design. It will not be possible to fully assess the environmental impact of A.I.D. projects until indicators are included in project design, measurements are made prior to project implementation, and indicators are monitored.

Operations and Management Systems

A.I.D.'s In-Country Presence

Many observers agree that A.I.D.'s in-country presence with U.S. direct-hire (USDH) professional staff on long-term assignment is its most distinctive and valuable asset. But as much as we value this asset, our approach to it requires critical analysis in view of rapidly changing global commitments in the post-Cold War era and continuing budgetary pressures.

CDIE undertook an Assessment of A.I.D.'s In-Country Presence in response to requests of Congress, the Office of Management and Budget, and the A.I.D. Administrator to present a clear rationale for the pattern of U.S. overseas staffing and to determine whether the benefits of in-country presence justified actual U.S. staffing patterns.

The assessment had three objectives: (1) to determine the advantages of A.I.D.'s in-country presence, (2) to ascertain whether the functions performed overseas are those that effectively exploit those advantages, and (3) to seek to identify possible alternative configurations that are more cost effective but retain the demonstrated advantages of in-country presence.

Findings

Chief Advantages. A.I.D.'s present approach to in-country presence has two chief advantages: it enhances influence over program strategy and policy issues in dialogue with the recipient government and with other donors, and it fosters program accountability for results. These advantages contribute to the effectiveness of U.S. assistance and can be obtained best through U.S. official staff on long-term assignment.

- **The ability to influence** was seen uniformly as a key advantage of A.I.D.'s in-country presence by many interviewees: A.I.D. staff, recipient government officials, and other donor and private sector representatives. This advantage was seen to derive from such specific benefits of in-country presence as understanding

local conditions, being perceived to be sympathetic to the country's needs, political and cultural sensitivity, ready access to host-country officials, sustained day-to-day involvement, setting a good example for the host country, keeping development on the U.S. Government agenda, and being able to promote sensitive issues like family planning.

- **Accountability for program effectiveness**, as distinguished from financial accountability, was not explicitly identified by respondents as an advantage of in-country presence but was implied by many of their comments. Such accountability was noted by interviewees in their declarations that their presence improves the quality of program and project implementation, allows for regular review of projects and for quick response to new priorities, permits mid-course corrections in implementation, generates better information regarding what is really going on inside the project, leads to prompt decision-making by A.I.D., and facilitates resolution of misunderstandings and miscommunication.

Improving cost-effectiveness. A.I.D. can undertake a number of actions to ensure that the chief benefits of in-country presence are preserved in a more cost-effective fashion.

Management Implications

The assessment recommended that A.I.D. make *two overarching changes* to adapt to changing conditions:

- **Plan for transition to national self-reliance.** A.I.D. should implement transition management strategies in which Missions plan how and when countries will obtain self-reliance and how to reduce U.S. direct hire staff as the host country is more able to take over responsibilities. A.I.D. is in the business of assisting recipient nations to achieve their development objectives. Given this fact, A.I.D. Missions should be explicitly planning for the transition of these nations to self-reliance. This means that A.I.D. Mission staff should develop transition management strategies as an essential part of their planning at strategic

program and project levels, which would set a time horizon and benchmarks for increasing dependence upon non-USDH staff and for increasingly turning over the responsibility for management to the host country itself. This planning does not occur both because the current incentives for career enhancement reward Mission growth, not transition planning, and because the ever-increasing A.I.D. regulations and procedures governing contracts, reporting requirements, and financial accountability militate against relinquishing control.

- **Rely more on foreign service national (FSN) staff.** A.I.D. should rely more on its FSNs to perform many professional and support tasks now performed by USDHs, in some cases, exclusively. The assessment found that USDHs are essential to negotiate policy and official agreements but that FSN staff can do just about everything else, including project design and management. Guidance on the use of FSN staff needs to be clarified and widely disseminated.

In addition to these overarching changes, the assessment recommended a number of short-, medium-, and long-term options that can result in a more cost-effective configuration of overseas USDA staff.

Short term opportunities include the following:

- **Adjust current USDH staffing imbalances.** While interviews with staff suggested that a large number of factors entered into overseas staffing decisions on a case-by-case basis, a regression analysis of data covering the last 4 years identified two variables, namely, program obligation levels and total number of projects in a Mission's portfolio, that are statistically significant and "explain" 90 percent of the variation among Missions in USDH levels. Notwithstanding these overall results, the regression analysis also identified anomalous staffing levels at a number of individual Missions. These results suggest possibilities for reallocating staff.
- **Identify additional advanced developing countries.** A.I.D. can now identify coun-

tries, such as Costa Rica, India, Thailand, and Tunisia, that are capable of managing their own development programs with a minimum A.I.D. presence of perhaps only one USDH and a small support staff of FSNs and Personal Services Contractors.

- ***Assess aims and reduce staffing in unfavorable development environments.*** In those countries where a significant aid level is provided for U.S. political or strategic reasons and where the environment is unsuitable for a traditional aid program due to political instability, a poor policy environment, corruption, or an uncooperative government, the A.I.D. program could be limited to resource transfers requiring low staff intensity and limited accountability for performance, such as working through NGOs or concentrating on participant training.
- ***Decrease documentation and reporting requirements.*** The interviews showed there is indeed an inordinate amount of time being spent in the field on documentation preparation and especially on project design. A.I.D. should rigorously follow up its present efforts of reform in order to minimize this burden on the field so that staff can spend more time on the important tasks of exercising influence and on implementing and monitoring performance of programs.
- ***Lessen competition between bureaus and Missions.*** A.I.D.'s decentralized mode breeds inter-Mission and interbureau competition for scarce human and financial resources, as manifested in the program justification processes required of each Mission. USDH Mission staff spend excessive time attempting to convince A.I.D./Washington to provide them with resources. The assessment recommends that one solution to this time-intensive process would be to field combined A.I.D./Washington and Mission teams to assess needs and decide on strategies.

Medium term opportunities tend to involve more extensive policy changes or restructuring. These include the following:

- ***Establish and expand regional and shared services.*** The Regional Economic

Development Services Offices in Africa present models for regionalization of technical and support services, which could be explored for wider utilization. Support services, and even many of the technical services, could be located regionally. USAID/Bangkok is beginning to play that role, which might be expanded, and Central America provides the opportunity to employ this concept to an even greater extent. (In the Central America region, A.I.D. could eliminate each of the overseas Missions in favor of a single regional Mission located in Costa Rica with branch offices staffed by a much reduced number of USDH in the neighboring countries.)

- ***Focus on what A.I.D. does best. Concentrate on fewer development objectives.*** Evaluation interviews confirmed that most field personnel feel that each A.I.D. Mission would have a greater impact and require fewer staff if it reduced its focus to those areas of greatest comparative advantage for A.I.D. in the country.
- ***Create incentives for efficiency and effectiveness.*** The incentive system for A.I.D.'s Mission directors needs to be changed so that these managers are encouraged and rewarded to run the leanest operation possible, consistent with the management objectives of program performance, accountability, and self-reliance.
- ***Establish Mission antennae in A.I.D./Washington.*** The assessment recommends that A.I.D. consider relocating to A.I.D./Washington those Mission and regional personnel whose functions are not related to the requirements of day-to-day project monitoring or dialogue with recipient-country officials. These personnel would work as Mission antennae in Washington and would be responsible to the Mission director.
- ***Introduce a concept of appropriate or limited financial accountability.*** Much of the justification for USDH staff is based on A.I.D./Washington and Mission concern for financial accountability and a pervasive fear of audits, rather than on the

more practical requirements of basic program management. There is a general perception that the costs associated with our approach to financial accountability exceed the benefits we are accruing. The assessment recommends that A.I.D., in cooperation with Congress and the Inspector General, investigate the concept of limited accountability more appropriate for overseas operations in the developing countries as practiced by other donors.

In the long term, the assessment recommends that A.I.D.

- ***Introduce a core Mission concept focused on strategic objectives.*** Such a concept would seek to limit staff to those absolutely required to achieve the Mission's strategic program objectives. This approach to work force allocation is similar to zero based budgeting, with a USDH principal officer as the only given and additional USDH program managers essentially tied to the number and type of strategic objectives and the availability of qualified local staff. Each program manager would have broad managerial responsibilities and would be responsible for all phases of activities under his or her strategic objective. All other functions would be performed by FSN or contract staff, supplemented by USDH through telecommunications links and visits from Washington or from regional support offices or other Missions. The full applicability of this model would depend on adherence to the appropriate financial accountability concept, as well as adequate availability of a combination of qualified FSN and contract staff plus telecommunications and transportation links.

The Agency has created a senior committee (deputy assistant administrators from all bureaus) to review the management implications of this assessment. The committee is identifying those management changes that can be adopted without further study and those that will require additional review.

Performance Based Budgeting

In response to requests by the Office of Management and Budget and concerns of Congress, A.I.D. recently began developing an approach for basing its budget decisions upon some measure of performance. In order to assess the effectiveness of A.I.D.'s approach, CDIE commissioned a review by an expert on public budgeting. He looked at A.I.D.'s recent attempts in light of the history of performance based budgeting (PBB) in the U.S. Government, A.I.D.'s past efforts to relate budget to performance, and the particular challenges that A.I.D. faces in putting such a system in place. The study's key findings have been shared with senior managers within A.I.D. responsible for budgeting and programming decisions.

Findings

Budget Allocations Among Countries. A.I.D.'s current approach to allocating funds among countries is based on the notion that a country with favorable conditions (macroeconomic policies, political institutions, etc.) will make more productive use of U.S. assistance than will a country with less favorable conditions. This "climate for investment" strategy is not true PBB, because it is based on conditions not always subject to A.I.D.'s influence and does not link resource allocations to the results of A.I.D.'s programs. The current approach, combined with an additional measure of need, might be very useful for determining country-funding levels, however, when supplemented by informed political judgment. Country allocations could then be finalized on the basis of expected performance.

Budget Allocations Among Programs Within Countries. PBB should be used principally to allocate funds within—not among—countries. Such a system needs to be based on the contribution of programs and projects to the development of the country. Project plans and proposals should detail expected performance, measured in terms of change from baseline or current levels.

Relationship with Congress. A.I.D.'s relationship with Congress also needs to change for PBB to be implemented effectively.

tively. Congress needs to articulate clear foreign assistance goals and to reach consensus with A.I.D. on the Agency's broad program objectives. A.I.D. will require greater flexibility in allocating resources based on

program results against these objectives (with less congressional micromanagement and fewer earmarks) in return for better accountability for program and project results.

4. Further Steps in Strengthening Performance Monitoring and Evaluation

Effectively managing for results will require a continuing commitment by the Agency for International Development (A.I.D.) managers at all levels to the principles of strategic management. The Center for Development Information and Evaluation's (CDIE) responsibility is twofold in this regard: to provide senior management with performance monitoring and evaluation information useful for making decisions and to provide technical assistance to bureaus, Missions, and central offices to improve their own performance monitoring and evaluation systems. Over this next year, we expect to enhance the value of program performance information by expanding program coverage, improving data quality, strengthening evaluation impact analysis, and improving dissemination. Some of the activities planned to achieve these objectives are outlined below.

Evaluating Program Performance

CDIE plans to increase the value of evaluations to management in several ways. First, we will ensure that our evaluation studies address the key questions of interest to senior management. To this end, we will work closely with A.I.D.'s senior management to make certain that the Evaluation Agenda adequately reflects their concerns and interests. Second, we will ensure that all CDIE evaluations contain sections that formulate actionable steps for A.I.D. managers. Third, we will work closely with other parts of the Policy Directorate, as well as the operating bureaus and offices, to ensure that relevant evaluation findings are available for

use in budget and program decisions. Fourth, we will develop improved guidance for all of A.I.D.'s decentralized monitoring and evaluation activities, implement expanded monitoring and evaluation training, and prepare practically oriented "how to" manuals in key monitoring and evaluation areas. Finally, we will continue collaborating with the operating bureaus on their evaluation programs and assure that our work is complementary and mutually reinforcing.

Monitoring Program Performance

Making performance information more useful to managers not only requires improving the quality, availability, and relevance of program performance data, but also better linking this information to project and financial data.

Linking Program, Project, and Budget Data

Better linkages between program performance and financial data are essential for improved management and are explicitly required in the reporting requirements of the Chief Financial Officers Act. Such linkages will only be possible, however, if program, project, and financial reports include well-defined and comparable information. Over the coming year, CDIE will work closely with A.I.D.'s budget offices to better link performance and resource data by modifying key tables in the Annual Budget Submission (ABS) that report project activities, funding, and staffing levels against strategic objectives and program outcomes for each Mission and office.

Strengthening Program Performance Information

CDIE and the operating bureaus and offices will continue collaborating efforts to more clearly articulate program objectives and better measure progress toward meeting them.

- During FY 1992, we clustered Mission objectives and assessed the utility and validity of the indicators being used to monitor performance in each cluster. This year, we have worked to refine strategic plans and performance monitoring efforts. In the spring we are planning a series of workshops to share experience in developing performance indicators and in getting and using program performance information across Missions and bureaus.
- In cooperation with the Office of Information Resources Management, we are developing automated systems that will make similar performance information from all Missions and offices easily accessible. In the interim, we will seek the greatest comparability possible through the ABS process. While most program performance information is being gathered by Missions and offices, some additional centrally managed data collection—along the lines of current Demographic and Health Surveys—may also be needed.
- Better performance information has a cost, and the Agency will have to ensure that sufficient resources are allocated for monitoring and evaluation (for example, see the A.I.D./OMB SWAT Team Recommendations). Through revisions in the ABS, we are developing mechanisms to more accurately track and report on how resources are being used for monitoring and evaluation Agencywide.

Clarifying Who Benefits from Development

A.I.D. has always been concerned with how programs impact on people, and even more, how they affect certain groups of people, such as the poor and women. In this regard, CDIE will continue working with Missions and offices to develop people-ori-

ented, gender-disaggregated indicators whenever possible. For circumstances in which "people level" indicators are not feasible or appropriate, we are developing other approaches, such as "linkage" studies, to better understand the impact of A.I.D.'s development programs on people. CDIE and the Africa Bureau have initiated pilot studies to learn more about who benefits from policy reform, trade and investment, and environmental programs. We will initiate additional studies this year and develop model scopes of work for related monitoring and evaluation efforts.

In coordination with other ongoing Agency efforts, CDIE also expects to begin reporting on selected countrywide economic and social indicators for all countries in order to provide a broader context for interpreting the results of A.I.D. development interventions. Ongoing efforts include the compilation of country statistics for each region by CDIE's Economic and Social Data Service, implementation of the Agencywide Executive Information System, and bureau performance based budgeting exercises and country allocation studies.

Expanding PRISM Coverage

In addition to improving the quality of program performance information, program coverage will also be expanded in 1993. By the end of the year, PRISM should include all of A.I.D.'s significant country programs (except for a few small programs and base rights countries). In addition, coverage of all central programs is planned by the end of 1994.

Next Year's Program Performance Report

Next year's program performance report will include more Missions, more data on performance results, an analysis of objectives and performance in the context of resource allocations, and the key findings from program evaluations undertaken throughout the Agency. Most important, if A.I.D. managers at all levels continue improving the

performance management systems upon which this exercise so depends, next year's performance report should provide senior

management with a much enhanced basis for strategic decision-making.

Appendix A

Cluster Definitions

What Clusters Represent

Economic Development

The economic development theme includes 85 strategic objectives reported by 53 of the 55 Missions, which are grouped into the following clusters (see appendix table):

Increasing Production and Productivity. This cluster represents strategic objectives aimed at increasing production or productivity by increasing investment and the efficiency of domestic markets. This includes strategies for increasing private business sector investment and overall private sector growth. Many of the strategic objectives in this cluster are oriented toward the agricultural sector.

Increasing International Trade. This cluster captures objectives that seek to improve international competitiveness and the balance of trade and to increase and diversify exports. Strategies usually focus on reform of the regulatory and policy environment related to trade, but may include privatizing export industries, facilitating private sector investment in export industries, improving export-marketing information services, empowering trade associations, and transferring technology.

Improving the Policy/Enabling Environment. This cluster encompasses objectives such as structural adjustment and stabilization, finance and trade liberalization, macroeconomic and sector policy reform, and physical and institutional infrastructure strengthening, which are directed at improving the enabling environment for economic growth. Strategies involve areas where government interven-

tions need to be revoked or altered (e.g., macropolicy reforms, privatization, deregulation) and areas where government interventions need to be strengthened (e.g., public services and infrastructure development).

Increasing Economic Participation. The objectives in this cluster seek to achieve more equitable income distribution and access to credit and the means of production and to remove constraints against the economic participation of certain target groups (e.g., women and low-income groups). Strategies focus on training and other forms of education, providing access to credit, decreasing market distortions, and marketing. Commonly, the strategies are directed toward micro-, small-, and medium-sized enterprises.

The 53 Missions reporting strategic objectives under the economic development theme include all of the Africa and Asia Missions, 18 of the 19 LAC Missions, and all but one of the NE Missions. A more detailed tabulation of economic development objectives by cluster and region is provided in Appendix C.

Human Development

The human development theme comprises 50 strategic objectives from 38 Missions categorized into clusters focused on the following:

Improving Child Survival and Maternal Health. This cluster captures objectives that seek to influence directly the health and survival of infants, children, and women of childbearing age. Most Missions have strategies addressing the most significant causes of child death, such as vaccine preventable diseases, diarrheal disease, acute respiratory infection, and malaria. Some Mission strategies reflect efforts to improve nutrition practices; provide better access to potable water

and sanitation; expand prenatal care, encouraging breastfeeding; and enhance the quality and sustainability of child and maternal health services.

Reducing the Incidence of AIDS and Other Selected Diseases. This cluster encompasses Mission objectives focusing on reducing the transmission of epidemic diseases that are significant health threats in some countries, specifically HIV/AIDS, malaria, and cholera. Mission strategies for achieving the reduction of HIV/AIDS commonly include efforts to change sexual practices through public awareness programs. Missions focusing on a reduction in the incidence of other life-threatening diseases pursue a variety of strategies, such as better detection systems, proper treatment, and improvement in potable water and sanitation.

Improving Health Systems. This cluster includes Mission objectives that seek to improve the long-term viability of health care delivery systems. Strategies typically focus on improving quality and sustainability.

Improving Family Planning. The strategic objectives found in this cluster typically seek to reduce fertility rates and increase access to and use of contraceptives and family planning services. Missions are promoting contraceptive use by increasing the demand for and supply of family planning services and improving service quality and sustainability.

Improving Basic Education. This cluster includes strategic objectives focusing on increasing the accessibility and quality of basic education. Strategies typically include improving access to and enrollments in primary schools. In countries where basic education is more advanced, emphasis shifts to educational quality, including improvement in completion rates, efficiency, and student achievement.

Of the 38 Missions reporting strategic objectives in the human development theme, 18 are from Africa, 6 are from Asia, 10 are from LAC, and 4 are from the NE. A more detailed tabulation of human development objectives by cluster and region is provided in Appendix C.

Is "Focus and Concentrate" Working?

Agency policy encourages Missions to focus on fewer objectives and to concentrate program strategies, activities, and resources on their achievement. PRISM data for FY 1992 show that Missions, on average, have about 3.4 strategic objectives compared with about 5.8 strategic objectives in FY 1991. The average number of strategic objectives per Mission in FY 1992 does not show great variation among regions. The average is 3.0 for Africa and NE, 3.5 for Asia, and 3.7 for LAC. While this suggests that the Agency's strategic planning efforts are beginning to take hold, artificial limits on the number of strategic objectives can be counterproductive. A number of Missions, for example, have developed very broad strategic objectives that are little more than labels under which they have lumped diverse activities.

Environment and Natural Resources Management

This theme includes 30 strategic objectives from 29 missions aimed at the following:

Improving Natural Resources Management. This cluster includes strategic objectives that focus on improved management and use of natural resources to conserve and protect the environment and enable sustained economic growth. Strategies include efforts to directly improve management practices and policies fostering sustainable use of natural resources and to strengthen the capacity of public and private entities involved in natural resources management and conservation.

Reducing Environmental Degradation and Damage. This cluster captures those strategic objectives focusing on reversing the already deteriorated state of the environment. Strategies directly address indiscriminate practices that have degraded the environment and typically involve clean up

activities and setting new environmental standards and policies.

Most Missions in LAC have a strategic objective in this theme, with 14 out of 19 Missions working in this area. By comparison, 6 out of 10 Asia Missions, 6 out of 20 Africa Missions, and 3 out of 6 NE Missions have environmental objectives. A more detailed tabulation of environmental objectives by cluster and region is provided in Appendix C.

Democracy and Governance

The democracy and governance theme, a fairly recent emphasis for A.I.D., includes 20 objectives from 19 Missions focused on the following:

Strengthening Democratic Representation. This cluster encompasses Mission strategic objectives aimed at increasing the participation of citizens in the formation and implementation of public policy and in establishing peaceful and stable forms of political competition. Mission strategies typically include support for strengthening free and open electoral processes, improving the efficiency and representativeness of legislative bodies, and broadening civic participation in the political process by improving the capacity of voluntary, grassroots organizations to influence political processes.

Promoting Lawful Governance. This cluster includes strategic objectives seeking to establish formal constraints on the actions of civil servants, the military, and police and to support legal processes that contribute to peaceful and predictable social and economic interaction. Two sets of Mission strategies emerge: support for a fair and efficient judicial system to improve the administration of justice and support for more responsive and accountable governments.

Encouraging Democratic Values. The objectives in this cluster seek to support the emergence of basic democratic values, such as tolerance, respect for minority rights, value of political compromise, and acceptance of majority rule. Mission strategies typically center around civic education and public awareness efforts, leadership training,

and efforts to promote freedom of the press and other media.

Supporting Respect for Human Rights. The objectives in this cluster focus on establishing procedures to protect the integrity and basic rights of the individual. The most common Mission strategy is monitoring human rights violations and increasing public awareness.

Of the 19 Missions reporting a total of 20 strategic objectives under this theme area, nearly three-fourths or 14 are from LAC, and the remaining 5 are from Asia. As of June 1992, no Missions in Africa or NE had reported strategic objectives in any of the democracy clusters. Strategic objectives under the democracy and governance theme tend to be broadly stated and to encompass diverse program outcomes. As a result, 13 of the 20 Mission objectives were categorized under two or more democracy clusters. This double-counting yielded 39 distinct democracy strategic objectives that are categorized under democracy clusters. A more detailed tabulation of democracy objectives by cluster and region is provided in Appendix C.

Other Characteristics of A.I.D. Programs

Some clusters are more clearly defined than others and provide a better basis for Agencywide summaries and comparisons.

Clusters are only as strong as the strategic objectives they represent. In some cases, particularly under the economic and human development themes, Mission strategic objectives were easily grouped into Agencywide clusters. In other program areas, particularly under the democracy and governance and the environment and natural resources management themes, clustering was much more problematic, either because Mission objectives lacked clarity and precision or because strategies were vague or highly variable across Missions.

The variability of objectives within individual clusters influences their value for comparing programs across Missions. Some clusters, such as international trade and child

survival, encompass a relatively narrow range of well-defined Mission objectives, strategies, and indicators, making useful summaries and comparisons possible. Other clusters, such as production and productivity, democratic values, or environmental quality, encompass a wide range of dissimilar objectives, strategies, and indicators, making summaries and comparisons difficult. This may suggest that better strategic planning is needed to develop more precise objectives and focused strategies in these areas, or it may simply reflect the immaturity of A.I.D.'s programs in these areas, the weakness of underlying development theory, or the diversity of country circumstances.

Economic development programs are a priority for most Missions, but many objectives in this area seem overly ambitious for the midterm.

Most Missions have economic development objectives that account for a large percentage of Mission budgets. In many cases, the economic development strategic objectives appear to be merely labels for diverse sets of activities and program outcomes that do not seem logically linked to the objectives. This problem is particularly prevalent in the production and productivity cluster, where increasing national income and employment are common Mission objectives; without more coherent strategies, these objectives seem very ambitious to achieve in a 5 to 8 year time frame.

There are, however, numerous cases where Missions have articulated more focused economic development objectives and strategies. Programs in increasing international trade, for example, share the same tested strategies. A number of Mission objectives related to increasing private investment share a common emphasis on interest rate reform, regulatory reform, and financial market reform. For Missions attempting to increase agricultural production, technology transfers and market-oriented policy reforms appear to be common.

Human development programs are quite similar across countries and benefit from better-than-average performance monitoring.

Most of the strategic objectives under the human development theme are fairly narrowly defined, and similar objectives are pursued through similar program strategies throughout the world. Child survival and family planning, for example, represent particularly well-defined programs. Even when Missions have identified very high-level human development objectives to capture what appear to be several different programs under a single label (e.g., achieving smaller, healthier, better educated families), it is still fairly easy to distinguish family planning, child survival, or other programs by examining program outcomes. An early investment in data for monitoring (as evidenced by the Demographic and Health Survey) has meant that the indicator data for human development programs are often more comparable, accessible, and reliable than those for other Agency programs.

Democracy and governance programs remain very much in a formative stage.

Most Missions are having a difficult time formulating clear objectives and tight strategies in the democracy area, perhaps not surprisingly, given the weakness of underlying political development theory, A.I.D.'s limited experience, and the lack of a clearly defined A.I.D. role. Some Missions have articulated high-level democracy and governance objectives to label a diverse range of disparate activities. Other Missions have focused more narrowly in the areas of lawful governance and democratic representation, where A.I.D. has more experience. The amount of resources Missions are allocating to these programs is relatively small given the ambitious scope of some objectives.

Environmental and economic objectives often overlap.

There is a natural overlap between environmental and economic objectives. Natural resources are frequently important inputs into agricultural production and, if those inputs are depleted, production and incomes can decline. Similarly, production and productivity can decline if environmental resources, such as water, become a health hazard. Consequently, most Missions with environmental objectives focus on improving

resources management for sustainable development. Conversely, about half of the Missions with economic development objectives of increasing agricultural production are concerned with the sustainability of productive inputs.

Mission objectives do not always reflect central office activities.

Mission strategic objectives often do not encompass central program objectives, even though central offices fund major activities in that country. Several child survival priority countries (as designated by the Research and Development Bureau) do not, for example, have Mission child survival objectives. Similarly, many Missions have not yet integrated public law (PL) 480 activities into strategies to achieve their strategic objectives, but simply list PL 480 funds as other activities. Nor have many Missions focused the impact of their PL 480 resources directly on food security, although food security is a mandated objective under PL 480 legislation. Although PRISM has not yet worked systematically with central offices, several have expressed strong interest in addressing these issues.

Missions' program priorities do not appear to be fully reflected in Mission budget plans.

Available but partial Mission budget data for FY 1993 (as reported in the FY 1994 ABS) suggest an uneven distribution of resources across clusters relative to the distribution of strategic objectives. This might reflect real imbalances, unavoidable lags in funding new activities, or inherent differences in the level of resources needed to pursue different objectives.

What Clusters Do Not Capture

This year's PRISM clusters capture the vast majority of strategic objectives in the PRISM database, except for a handful of country-specific activities, such as canal management in Panama. There are, however, other important Agencywide concerns—such as humanitarian assistance, food security, poverty alleviation, and development-oriented research—that are not usually identified as *Mission* objectives and therefore are

not captured by current PRISM clusters. While some information relevant to these concerns can be gleaned from the PRISM database (for example, by analyzing which Mission objectives contribute to what higher level Agency goals), PRISM will never be able to answer every possible question about every A.I.D. program. In many cases, deeper understanding will require additional data collection, research, or evaluation.

Some Agencywide concerns can be addressed within the PRISM framework. PRISM technical assistance, for example, helps Missions measure performance in gender disaggregated terms whenever possible and appropriate. Other Agencywide concerns may be more fully reflected in PRISM clusters as central programs are more systematically covered over the coming year.

Problems With Clustering

Although the 15 PRISM clusters provide an initial framework for reviewing program performance, the extent to which clusters represent well-defined categories for Agencywide summaries and comparisons varies.

One problem is that objectives and strategies are much more homogeneous in some program areas than in others. Most strategic objectives under the economic and human development themes, for example, were fairly easily organized into clusters. However, in the democracy and environment areas, Mission strategic objectives tend to be broadly stated, to encompass diverse activities, and to be more difficult to categorize neatly into clusters. Here, clusters were defined as much on the basis of development theory, Agency policy, and technical expertise as on natural empirical groupings.

Another problem in trying to cluster strategic objectives is that some objectives in a given cluster are far more ambitious than others. For example, while one Mission may aim to "improve the economic policy environment," another Mission may seek to "increase overall private sector production" or even "national economic growth." This means that what may be a strategic objective for one Mission might elsewhere be a pro-

gram outcome—one aspect of a broader strategy—to achieve a more ambitious objective. While more ambitious objectives may appropriately reflect different resource levels, related activity by other donors, or host country circumstances, they may also represent outcomes that are simply beyond a Mission's manageable interest.

In program areas where A.I.D.'s understanding of development problems is good, where A.I.D. has substantial expertise, and where central offices are well established, Mission objectives tend to be more focused and similar. In areas where A.I.D. has less experience, where understanding is weak, and where central programs are less well defined, Mission objectives tend to be more diverse and less focused. To a large extent, difficulties in clustering simply reflect the diversity of program initiatives that emerge

from A.I.D.'s decentralized approach to programming. However, unnecessary or inappropriate diversity can be reduced to the extent that A.I.D. systematically applies consistent strategic planning principles.

Final Observations

While A.I.D. Missions are pursuing a broad range of objectives represented by PRISM's 15 clusters, the distribution of objectives across clusters reveals clear Mission priorities in the areas of economic development and human development. These two themes and their nine clusters represent nearly 75 percent of all Mission strategic objectives. These are also the program areas where A.I.D. has the greatest experience and the most clearly defined strategies.

CLUSTER DEFINITIONS

Clusters	Definitions
Economic Development	Cluster includes strategic objectives aimed at:
1. Increasing Production/Productivity	Increasing production or productivity by increasing the efficiency of domestic markets; programs with strategies in this cluster are aimed at privatization and increasing investment in business and agriculture.
2. Increasing International Trade	Improving international competitiveness and the balance of trade, and, especially, increasing and diversifying traditional and non-traditional exports.
3. Improving Policy/Enabling Environment	Improving the enabling environment for economic growth, such as structural adjustment and stabilization, finance and trade liberalization, macroeconomic and sector policy reform, and physical and institutional infrastructure strengthening. Major strategies include support for policy reform and improving government services and infrastructure.
4. Increasing Economic Participation	Targeting investment broadly to achieve more equitable income distribution, credit flows, and ownership of the means of production; particular target populations may be distinguished by ethnicity or gender, by the size of their productive assets, by income, or by other similar criteria.
Human Development	
1. Improving Child Survival and Maternal Health	Influencing the health and survival of infants, children, and women of child-bearing age; decreasing infant, child, and maternal mortality through immunization, oral rehydration therapy, nutrition, and good health practices.
2. Reducing Incidence of AIDS and Other Selected Diseases	Preventing and controlling the spread of HIV/AIDS and other life-threatening diseases, notably malaria and cholera.
3. Improving Health Systems	Improving overall health systems, including the sustainability of services, their efficiency, and quality.
4. Improving Family Planning	Improving family planning services, including increased access to and use of contraception.
5. Improving Basic Education	Increasing the accessibility and quality of basic education.

Clusters	Definitions
Democracy and Governance	
1. Strengthening Democratic Representation	Increasing the participation of citizens in the formation and implementation of public policy; supporting the establishment of peaceful and stable forms of political competition. Includes strengthening electoral and legislative procedures and civic participation.
2. Promoting Lawful Governance	Establishing formal constraints on the actions of civil servants, the military, and police; supporting legal processes which contribute to peaceful and predictable social and economic interaction. Includes strengthening the judiciary system (administration of justice) and improving the representativeness and accountability of national and local government.
3. Supporting Respect of Human Rights	Establishing a framework of procedures that protects the integrity of the person and the exercise of basic human rights.
4. Encouraging Democratic Values	Supporting the emergence of basic democratic values (e.g., tolerance for diverse opinions, the value of political compromise, acceptance of majority rule and respect for minority rights and gender, supremacy of civil authority over the military) through civic education and awareness programs, leadership training, and a free media.
Environment and Natural Resources Management	
1. Improving Natural Resources Management	Managing and using existing natural resources in order to conserve and protect the environment. Includes strategies contributing to the establishment and implementation of policy incentives, regulations, and practices that foster the sustainable use of natural resources.
2. Reducing Environmental Degradation and Damage	Reversing the already deteriorated state of the environment; directly addresses indiscriminate practices which have already degraded the environment (e.g., air pollution, deforestation).

APPENDIX B

Strategic Objectives by PRISM Clusters

- 1.1 Increasing Production/Productivity
- 1.2 Increasing International Trade
- 1.3 Improving Policy/Enabling Environment
- 1.4 Increasing Economic Participation
- 3.1 Improve Child Survival and Maternal Health
- 3.2 Reduce Incidence of AIDS and Other Selected Diseases
- 3.3 Improve Health Systems
- 3.4 Improve Family Planning
- 3.5 Improve Basic Education

- 4.1 Strengthening Democratic Representation
- 4.2 Supporting Respect of Human Rights
- 4.3 Promoting Lawful Governance
- 4.4 Encouraging Democratic Values
- 5.1 Improving Natural Resources Management
- 5.2 Reducing Environmental Degradation and Damage
- 2.0 Other Objectives

● 1 Objective ○ Double Counted Objective	Status	1.1	1.2	1.3	1.4	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	2.0
Afghanistan	X	●						○		○				●			●
Argentina			●								○		○				
Bangladesh		●●							●		●						
Belize				●											●		
Bolivia		●	●			●					○		○		●		
Botswana	X	●								●							
Brazil							●		●						●		
Burundi	X				●	●											
Cameroon			●	○				○									
Chad	X	●				●											

● 1 Objective ○ Double Counted Objective	Status	1.1	1.2	1.3	1.4	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	2.0
Chile				○							○		○		○		
Colombia				●									●				
Costa Rica				●●											●		
Dominican Republic			●		●						○			○	○	○	
Ecuador			●		●			○	○		○		○		●		
Egypt		●	●	●●		●			●						○	○	●
El Salvador		●				○			○	○	○		○		●		●
Equatorial Guinea																	
Gambia		●	●												○	○	
Ghana			●						●	●							
Guatemala			●			○			○	●	○	○	○	○	●		
Guinea		●							●	●							
Guinea-Bissau			●														
Honduras			●●			○	○		○	○	○		○	○	●		
India		●		●		○			○								
Indonesia		●		●							●				●		●
Jamaica		○	○				○		○						○	○	
Jordan			●						●						○	○	
Kenya		●●							●								

● 1 Objective ○ Double Counted Objective	Status	1.1	1.2	1.3	1.4	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	2.0
Lesotho		○		●						●					○		
Malawi		●●				●	●		●								
Mali		●●						○		○							
Mexico				●			●		●						○	○	●
Mongolia				●							○		○	○			●
Morocco			●		●	●											●
Mozambique		●		●													●●
Nepal		○				○	○		○		○		○		○		
Nicaragua		●	●		●	●				●				●	●		
Niger		○				○			○						○		
Oman		●●													●		
Pakistan		●			●					●					●		●
Panama			●								○		○	●●	●		●
Paraguay				●							○		○				
Peru		●●		●		●					○	○	○				
Philippines			●					●							●		
Rwanda		○							●						○		
Senegal		●●		●					●						○		
Sri Lanka		●		●											●		

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● 1 Objective ○ Double Counted Objective	Status	1.1	1.2	1.3	1.4	3.1	3.2	3.3	3.4	3.5	4.1	4.2	4.3	4.4	5.1	5.2	2.0
Swaziland					●●				●	○							
Tanzania				●					●								
Thailand				●●			●									●●	
Togo	X	●	●			○			○								
Tunisia		●															
Uganda			●			○	○			●					●		
Uruguay				●									●				
Yemen								●									

Status: X indicates that the strategic plan is not approved or is under revision or that a program is "in flux" (as of June 1992).

APPENDIX C

Number of Strategic Objectives by Clusters

THEME 1: ECONOMIC DEVELOPMENT	Strategic Objectives by Region				
CLUSTER	Total	Africa	Asia	LAC	NE
1. Increasing Production/Productivity	34	17	8	5	4
2. Increasing International Trade	20	6	1	10	3
3. Improving Policy/Enabling Environment	23	6	6	9	2
4. Increasing Economic Participation	8	3	1	3	1

THEME 2: HUMAN DEVELOPMENT	Strategic Objectives by Region				
CLUSTERS	Total	Africa	Asia	LAC	NE
1. Improving Child Survival and Maternal Health	16	6	2	6	2
2. Reducing Incidence of AIDS and Other Selected Diseases	8	2	2	4	0
3. Improving Health Systems	6	2	2	1	1
4. Improving Family Planning	22	10	3	7	2
5. Improving Basic Education	13	7	2	4	0

THEME 3: DEMOCRACY AND GOVERNANCE	Strategic Objectives by Region				
CLUSTERS	Total	Africa	Asia	LAC	NE
1. Strengthening Democratic Representation	15	0	4	11	0
2. Supporting Respect for Human Rights	2	0	0	2	0
3. Promoting Lawful Governance	14	0	2	12	0
4. Encouraging Democratic Values	8	0	2	6	0

THEME 4: ENVIRONMENT AND NATURAL RESOURCES MANAGEMENT	Strategic Objectives by Region				
CLUSTERS	Total	Africa	Asia	LAC	NE
1. Improving Natural Resources Management	28	6	5	14	3
2. Reducing Environmental Degradation and Damage	8	1	2	3	2

Note: Some Missions have more than one strategic objective within a given cluster; therefore, in some cases, there are more strategic objectives in a cluster than the number of Missions pursuing such objectives. Also in some cases strategic objectives have been counted under more than one cluster. This occurs when a Mission's strategic objective does not fit neatly within a single cluster, but instead encompasses a broader range of programs involving more than one cluster. The number of strategic objectives per theme reported in the text excludes double counting across the clusters within that theme.

APPENDIX D

Table D-1 Selected Performance and Financial Data for International Trade Cluster

Mission	Average Program Funding^a (\$U.S. 000s)	Indicator^b (\$U.S. millions)	Baseline^b Value (year)	Expected Result Value (year)	Expected Average Annual Increase Over Baseline^b (percentage)
Argentina	N/A ^c	Exports to the U.S.	1,368 (1991)	N/A	N/A
Bolivia	2,723	Nontraditional exports	260 (1991)	326 (1993)	13
Cameroon	7,467	N/A	N/A	N/A	N/A
Dominican Republic	10,231	Total exports	735 (1990)	964 (1996)	5.2
Ecuador	11,129	Nontraditional exports	310 (1990)	500 (1995)	12
Egypt	81,500	N/A	N/A	N/A	N/A
Gambia	3,790	Agricultural exports	78.8 (1985)	N/A	N/A
Ghana	25,476	Nontraditional exports	35 (1989)	250 (1997)	77
Guatemala	5,984	Nontraditional exports	240 (1989)	616 (1997)	20
Guinea-Bissau	5,500	N/A	N/A	N/A	N/A
Honduras	54,864	Export earnings from manufacturing	N/A	N/A	N/A
Jamaica	7,085	Selected agricultural exports	63 (1990)	77 (1995)	4.4
Jordan	29,000	Real value of agricultural exports	N/A	N/A	N/A
Morocco	15,062	N/A	N/A	N/A	N/A
Nicaragua	75,967	N/A	N/A	N/A	N/A
Panama	833	Nontraditional exports	157 (1989)	217 (1993)	10
Philippines	102,443	Nontraditional exports	3,988 (1989)	N/A	N/A
Uganda	26,239	N/A	N/A	N/A	N/A

Notes:

^aProgram funding is a 3-year average of Mission resources for the 1992-1994 period in thousands of U.S. dollars. Centrally or regionally allocated resources are not included in this analysis.

^bIndicator, baseline, and expected results data come from annual program performance documents submitted by Missions to regional bureaus for FY 1992. For purposes of illustration, one indicator for each Mission was selected to describe progress. Excluded from the table is information for those Missions with strategic plans not approved by their bureau or with programs "in flux" in June 1992.

^cN/A = data not available.

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Table D-2 Selected Performance and Financial Data for Child Survival and Maternal Health Cluster

Mission	Funding ^a (\$U.S. 000s)	Indicators ^b	Baseline ^b Value (year)	Expected Result Value (year)	Expected Absolute Annual Decrease in Infant Deaths (per 1,000 live births) ^b
Bolivia	11,006	IMR	151 (1972)	85 (1993)	3.1
Egypt	28,633	IMR	44 (1988)	37 (1997)	.7
El Salvador	N/A	IMR	60 (1989)	40 (1998)	2.2
Guatemala	3,966	IMR	74 (1989)	66 (1996)	1.1
Honduras	7,766	IMR	61 (1985)	46 (1995)	1.5
India	94,525	Incidence of malnutrition	N/A ^c	N/A	N/A
Malawi	1,083	IMR	151 (1984)	128 (1995)	2.1
Morocco	12,833	IMR	N/A	N/A	N/A
Niger	N/A	Percent of children vaccinated against measles at one year	N/A	N/A	N/A
Nepal	722	Diarrheal disease incidence: five project districts	4 (1990)	N/A	N/A
Nicaragua	9,985	IMR	N/A	N/A	N/A
Peru	8,720	IMR	81 (1990)	65 (1995)	3.2
Uganda	4,567	IMR	N/A	N/A	N/A

Notes:

^aProgram funding is a 3-year average of Mission resources for the 1992-1994 period in thousands of U.S. dollars. Centrally or regionally allocated resources are not included in this analysis.

^bIndicator, baseline, and expected results data come from annual program performance documents submitted by Missions to regional bureaus for FY 1992. For purposes of illustration, one indicator for each Mission was selected to describe progress. Excluded from the table is information for those Missions with strategic plans not approved by their bureau or with programs "in flux" in June 1992.

^cN/A = data not available.

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Table D-3 Selected Performance and Financial Data for Family Planning Cluster

Mission	Funding ^a (\$U.S. 000s)	Indicator ^b	Baseline ^b Value (year)	Expected Result Value (year)	Expected Average Annual Increase Over Baseline ^b
Bangladesh	28,200	CPR (modern)	25 (1986)	47 (1995)	2.4
Brazil	N/A ^c	CPR (by method)	N/A	N/A	N/A
Ecuador	2,300	CPR (all)	53 (1989)	60 (1997)	.9
Egypt	8,300	CPR (modern)	49 (1992)	53 (1997)	.8
El Salvador	N/A	CPR (modern)	47 (1988)	55 (1998)	.8
Ghana	4,700	CPR (all)	12.8 (1988)	N/A	N/A
Guatemala	6,000	CPR (modern)	27 (1991)	32 (1996)	1
Guinea	2,200	CPR (all)	2 (1990)	5 (1994)	.75
Honduras	2,300	CPR (all)	41 (1987)	52 (1995)	1.4
India	20,000	CPR (all)	N/A	N/A	N/A
Jamaica	2,000	CPR (all)	55 (1990)	58 (1995)	.6
Jordan	2,000	CPR (modern)	N/A	N/A	N/A
Kenya	7,200	CPR (all)	17 (1984)	35 (1995)	1.6
Malawi	2,300	CPR (all)	1 (1984)	19 (1995)	1.6
Mexico (target areas only)	N/A	CPR (modern)	35 (1991)	60 (1997)	4.2
Nepal	N/A	CPR (all)	18 (1991)	25 (1994)	1.4
Niger	N/A	CPR (modern)	N/A	N/A	N/A
Rwanda	2,200	CPR (all)	3.7 (1988)	14 (1994)	1.6
Senegal	8,100	CPR (modern)	6.7 (1986)	15 (1995)	.8
Swaziland	1,500	CPR (modern)	17 (1988)	30 (1995)	1.9
Tanzania	4,700	CPR (all)	5 (1988)	10.5 (1995)	.25

Notes:

^aProgram funding is a 3-year average of Mission resources for the 1992-1994 period in thousands of U.S. dollars. Centrally or regionally allocated resources are not included in this analysis.

^bIndicator, baseline, and expected results data come from annual program performance documents submitted by Missions to regional bureaus for FY-1992. For purposes of illustration, one indicator for each Mission was selected to describe progress. Excluded from the table is information for those Missions with strategic plans not approved by the bureau or with programs "in flux" in June 1992.

^cN/A = data not available.

Table D-4 Selected Performance and Financial Data for Basic Education Cluster

Mission	Average Funding^a (\$U.S. 000s)	Indicator^b	Baseline^b Value (year)	Expected Result Value (year)^b
Botswana	N/A ^c	Achievement test scores	N/A	N/A
El Salvador	N/A	Primary school completion (number)	80,000 (1989)	100,000 (1998)
Ghana	5,879	Children completing primary school who are literate and numerate	11% (1988)	80% (1995)
Guatemala	4,266	Enrollment rate - indigenous population	30% (1989)	34% (1994)
		Primary school completion rate	51% (1989)	57% (1994)
Guinea	7,066	Enrollment rate	N/A	N/A
Honduras	1,344	Enrollment (number)	810,000 (1986)	975,000 (1995)
		Primary school completion (rate)	27.4% (1986)	34% (1995)
Lesotho	4,349	Primary school completion (rate)	46.3% (1991)	46.8% (1997)
Malawi	1,240	Enrollment - girls (4th grade) (rate)	40% (1988)	50% (1995)
Mali	3,571	Primary school completion (number)	19,379 (1989)	82,600 (1995)
Nicaragua	5,166	Children entering first grade graduating from sixth grade	N/A	N/A
Pakistan	N/A	Enrollment (Balochistan) (number)	1,689,000 (1989)	2,300,000 (1994)
Swaziland	N/A	Number of children who complete 7 years of primary school on time	160/1,000 (1988)	200/1,000 (1995)
Uganda	12,296	Sixth grade completion	N/A	N/A

Notes:

^aProgram funding is a 3-year average of Mission resources for the 1992-1994 period in thousands of U.S. dollars. Centrally or regionally allocated resources are not included in this analysis.

^bIndicator, baseline, and expected results data come from annual program performance documents submitted by Missions to regional bureaus for FY 1992. Excluded from the table is information for those Missions with strategic plans not approved by the bureau or with programs "in flux" in June 1992. Since indicators in this cluster vary, annual expected results were not calculated.

^cN/A = data not available.

Table D-5 Selected Performance and Financial Data for Natural Resources Management Cluster

Mission	Program Funding^a (\$U.S. 000s)	Indicator^b	Baseline^b Value (year)	Expected Result Value (year)^b
Belize	2,900	Critical area protected (000s of acres)	219.7 (1990)	576.9 (1996)
Bolivia	2,333	Deforestation rate	N/A	N/A
Brazil	N/A ^c	Change in forest cover	N/A	N/A
Costa Rica	633	Hectares deforested	35,000 (1991)	20,000 (1996)
Dominican Republic	3,950	Usable water provided to rural irrigation networks - (total)	310 (1990)	620 (2003)
Ecuador	936	Land area under nondestructive management in and around selected communities	N/A	N/A
Egypt	11,333	Wastewater treated (volume)	N/A	N/A
El Salvador	3,833	Land under improved natural resources management (hectares)	N/A	N/A
Guatemala	2,533	Land under improved natural resources management (hectares)	58,200 (1989)	1,500,000 (1996)
Honduras	6,366	Area of forest managed for sustainability in model management units (hectares)	0 (1988)	114,000 (1994)
Jamaica	2,966	Areas protected under national park system (acres)	0 (1990)	300,000 (1995)
Nicaragua	5,166	Deforestation rate	N/A	N/A
Panama	2,666	Hectares deforested	70,000 (1991)	10,000 (1997)
Sri Lanka	13,766	Hectares formally turned over to organized and trained water user groups	N/A	N/A

Notes:

^aProgram funding is a 3-year average of Mission resources for the 1992-1994 period in thousands of U.S. dollars. Centrally or regionally allocated resources are not included in this analysis.

^bIndicator, baseline, and expected results data come from annual program performance documents submitted by Missions to regional bureaus for FY 1992. Excluded from the table is information for those Missions with strategic plans not approved by the bureau or with programs "in flux" in June 1992. Since indicators in this cluster vary, annual expected results were not calculated.

^cN/A = data not available.

Table D-6 Selected Expected and Actual Results for International Trade Cluster (total non-traditional exports)

Mission	Expected Average Annual Increase over Baseline (percentage)	Actual Average Annual Increase from Baseline to 1991 (percentage)
Bolivia	13	12
Ecuador	12	10
Ghana	77	22
Guatemala	20	14
Panama	10	7

Table D-7 Selected Expected and Actual Results for Child Survival Cluster

Mission	Indicator	Baseline Value (year)	Expected Result Value (year)	Actual Result Value (year)
El Salvador	Children vaccinated (percent)	75 (1988)	85 (1988)	79 (1992)
Guatemala	ORT coverage rate (percent)	38 (1989)	42 (1994)	35 (1992)
Guatemala	Children fully immunized against DPT (percent)	52 (1989)	65 (1994)	55 (1992)
Bolivia	Children immunized against DPT (percent)	13 (1986)	68 (1993)	41 (1991)
Honduras	Children five and under vaccinated for DPT (percent)	80 (1990)	95 (1995)	87 (1991)

Table D-8 Selected Expected and Actual Results for Family Planning Cluster (CPR)

Mission	Expected Annual Increase Over Baseline	Actual Annual Increase from Baseline to 1991
Ecuador	.9	.5
El Salvador	.8	1
Guatemala	1	0
Honduras	1.4	1.3
Jamaica	.6	0
Kenya	1.6	1.7
Malawi	1.6	.4
Mexico	4.2	0
Rwanda	1.6	2.3
Senegal	.8	.7
Swaziland	1.9	1.7

Table D-9 Selected Expected and Actual Results for Natural Resources Management Cluster

Mission	Indicator	Baseline Value (year)	Expected Result Value (year)	Actual Result Value (year)
Belize	Critical area protected (000s of acres)	219.7 (1990)	576.9 (1996)	576.9 (1991)
Guatemala	Land under improved natural resources management (hectares)	58,200 (1989)	1,500,000 (1996)	205,971 (1991)
Honduras	Area of forest managed for sustainability in model management units (hectares)	0 (1988)	114,000 (1994)	45,000 (1991)
Jamaica	Areas protected under national park system (acres)	0 (1990)	300,000 (1995)	200,000 (1991)

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